

The week in London and New York

Demand by institutions firm

ONLOOKER

Small profit-taking ahead of the minimum lending rate statement and the trade figures left equities a couple of points lower after strong demand over the previous four days had taken the index 30 points higher. Both the quarter-point reduction in MLR and the trade figures had little impact on equities in late dealings and the lower levels were held.

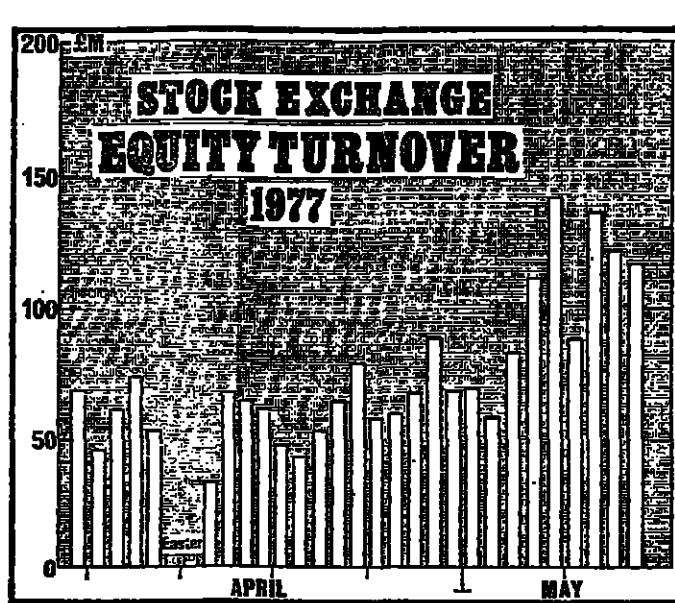
The feature of the week's trading has been the extremely high level of demand with the institutions a driving force. Equity turnover topped £136m. on Tuesday while bargains totalled over 25,000, maintaining the trend seen in the latter part of last week. The upward movement in equities gained momentum on Thursday when the index rose 13.6 points which was the largest single day's rise since July 4, 1975.

After being held in check for most of the week by the signals from the Bank of England for moderation in the fall of Treasury bill rates, gilt took fresh heart from the reduction and at the longer end gains of half a point were recorded. And the trend remained firm after hours.

Oil bonanza

As a market sector oils have really taken the limelight this week. Rumours have gained in strength about an imminent sale by the Government of 17 per cent of its holding in British Petroleum, which surprisingly has revitalised the shares. Then on Wednesday there was even some speculation about a possible rights issue from Royal Dutch/Shell group with the first quarter figures due the following day at 9.30 a.m. (the hour when rights issues are normally announced). By Thursday the FT Actuaries Oil Index had risen from 497.82 to an all-time high of 513.73 before easing yesterday.

The actual timing of the Government's BP flotation is clearly a matter of conjecture but a sensible bet would be after the first quarter figures which at the moment are due on June 2. This would add weight to any profits forecast contained in the prospectus. The Government's holding in BP is also hot news with the Burmah Shareholders Action Group and a resolution will be proposed at the AGM on June 10 which in effect will mean that the Board will not make any settlement or compromise with the Government over Burmah's original stake in BP without the shareholders' prior approval. Royal Dutch/Shell Group did not come up with the rights



issue but the figures were above most expectations. With the help of stock profits, which chip led in about £75m. to £100m.,

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The question of whether the Drax order would be brought forward earlier than otherwise would have been necessary—and whether it would be conditional on a satisfactory merger between the two companies—has been a matter of intense speculation ever since the Think Tank report last autumn made it clear that rationalisation was inevitable. But the Prime Minister has now stated that Drax would be ordered "whatever the result of present discussions."

NEB role

Optimists in the Revolve camp believe that the National Enterprise Board has come round to the idea of taking a permanent role in the new national company, rather than acting simply as a marriage broker. It is also suggested that GEC, which has been insisting on outright control of a merged company, is now prepared to take a more flexible line.

The Drax order, if and when it comes, would not prevent substantial redundancies at C. A.

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to make an overall profit—remarkable for the first quarter when the winter claims are coming in.

The CU's result was less impressive. Its pre-tax return on premium income was 5 per cent in the first quarter which is still below par compared to 8½ per cent from Royal. And although its profits should show a major gain in 1977, this will probably not stop the below-average solvency margin from slipping further. This has led to the widespread belief that another fund raising effort will be made in the next year or two—either through a rights issue or takeover of another investment trust. In either case the pressure will be on to increase the dividends by the maximum 10 per cent after a standstill in 1976.

Sticky margins

Tesco's decision to drop Green Shield stamps from its stores has been half expected for some time, since trading stamps, which cost about 2 per cent of turnover, have been losing their appeal in the High Street now that keen pricing has become the key point. Inevitably Tesco will indulge in some drastic price-cutting at first in order to hold on to its market share and attract new customers to compensate for the loss of dedicated stamp collectors. Initially it may be cutting prices by more than the cost of stamps, so profitability will be hit. Some analysts are already suggesting that the current first half profits to mid-August may not match the comparable £10.2m. pre-tax. However, by the year-end margins are expected to be back on an even keel, and profits are unlikely to fall below the £30m. pre-tax widely expected to be announced for the year ended last February.

Price-cutting by Tesco must have repercussions throughout the trade. Competitors will have little option than to counter-attack with their own promotional activities. Even if the struggle for market share is short-lived it is bound to leave some scars on the sector's 1977-1978 profits. This prospect brought an abrupt halt to the recent strong share movements. Until the beginning of the week, the food retailing sector has out-performed the market rising 27 per cent, this year against a 15 per cent increase in the 500 index. But over the past five days the sector has fallen nearly 1½ points with Tesco 3p lower at 42½p after touching 40p at one point, and confidence in the short term is bound to be affected.

Pressure to sell

BY STEWART FLEMING

NEW YORK, May 13.

WALL STREET has spent another unsettled week suffering from nerves about the outlook for short-term interest rates and anxieties about the implications for the market of the steady decline in the share prices of two erstwhile favourites, International Business Machines, the giant computer company, and the photographic concern, Eastman Kodak.

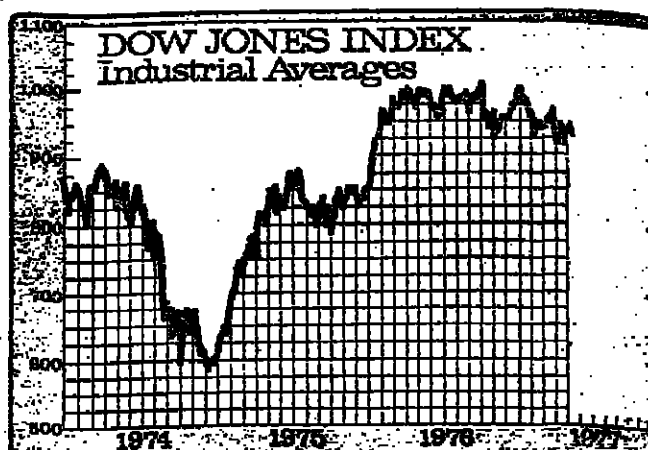
On Thursday Eastman Kodak, which has been disappointing investors because of what are seen as poor earnings, hit an 11 year low at \$57, and IBM which four years ago was the market's key glamour growth stock selling at \$365½, slumped to \$250. Only two months ago IBM's shares were up in the \$280s.

The subsequent decline has had a marked impact on investors' views. IBM has been a stock which has been something

of a market benchmark, against which investment managers have measured the share prices of other growth issues. As brokers L. F. Rothschild Unterberg Towbin have pointed out it is difficult for the market to do well when such glamour issues are under severe selling pressure.

Just how severe that pressure has been is illustrated by Schroder Naess and Thomas whose research director has pointed out that the firms growth stock index price earnings ratio has slipped from 41.1 times at the end of 1972 to only 10.9 times on 12 month trailing earnings at the end of April.

This relative decline is an indication of the caution which has overtaken investors especially over the past three years. Other indicators of the same mood were identified by investment bankers Salomon Brothers



in a circular earlier this week. They included emphasis on fixed income securities, trends to portfolio diversification such as index linking funds and emphasis on higher yielding stocks.

But the investment bankers detect signs of improving confidence levels, they say. And as one positive indicator they select the record number of corporate dividend increases in recent months and the fact that for almost a year dividend growth has been outstripping

earnings growth. When investors develop confidence that blue chip earnings can deliver long-term dividend growth the mood on Wall Street should become much more positive. But at the moment the selling pressure on some of the best-known stocks continues.

Monday Close 921.09 Change +1.25
Tuesday 923.14 +2.05
Wednesday 925.90 +2.76
Thursday 925.54 -0.36
Friday 928.34 +2.80

Mining

BY PAUL CHEESERIGHT

THE PICTURESCQUE notion of mining industry being peopled with rugged individuals wrestling with the wilds to bring back raw materials for gasping industry has been dispelled somewhat since the helicopter replaced the horse and large corporations supplanted maverick prospectors.

But the notion retains several grains of truth and nowhere more so than in the remote reaches of the north west Cape area of South Africa, seen by mining men as a treasure trove on the scale of the Zambian copperbelt.

Agencies is, in fact, miles from anywhere, arid, unappealing, 50 kilometres from the nearest water supplies in the Orange River. It was here that the U.S. group, Phelps Dodge, found deposits of copper, lead and zinc, then proved them, and then this week announced that it had enlisted Gold Fields of South Africa as a partner to exploit them.

This is a \$150m. (£100m.) venture with Phelps retaining 49 per cent and GFSA taking 51 per cent, and the aim is to recover 1.125m. tonnes of ore a year, giving concentrate production of 22,000 tonnes of copper, 132,000 tonnes of lead and 35,000 tonnes of zinc.

Base metals investment on this scale has been rare in recent years, since the international recession made the industry introspective and cautious. Indeed, recent assessments of the market serve to underline the faith of Phelps and GFSA.

At the annual meeting of the U.S. mining house, Amex, the retiring chief executive, Mr. Ian Macgregor, said a copper firm would have to assume prices nearly double the present levels to justify expansion. And Amex expects zinc and lead usage to show only a modest annual growth of between 2 and 3 per cent over the next five years.

While the Aggeneys ventures expect to dispose of their zinc in South Africa, where requirements are increasing, their copper and lead will probably be exported.

Uranium venture

Much less faith, on the other hand, is needed to justify investment in uranium. Especially in the U.S. Canada and southern Africa, any firm

with uranium resources is rushing helter-skelter to develop them. Among them is General Mining, the Johannesburg mining finance house, controlled by the Afrikaner financial interests of the Federale Mynbank.

Gemin has been exploring a major deposit for some time at Langer Heinrich mountain, near Swakopmund in South West Africa.

So South West Africa is likely to have its second uranium mine, an addition to the strategic resources of a country whose future is the subject of anxious negotiations and political strife. The first uranium mine is at Rossing where the Rio Tinto-Zinc group has run into technical problems which hamper expansion.

Details of the Gemin venture have not been disclosed, but the project is part of a wider trend within the group, and indeed in the industry at large. This is the concentration on energy resources.

Gemin increased its uranium output by 26 per cent last year, which gives it just under 4 per cent of free world output. Further expansion is in view, and feasibility studies have been completed on the extraction of uranium from the slimes at Buffelsfontein and Stifffontein.

A similar emphasis is being given to coal, where the group's prospects have been enhanced by the discovery of new metalurgical coal deposits, a desirable find in South Africa, whose coal tends to be of low quality, although plentiful.

Anglo American Corporation is following a similar path. In his annual statement, the chairman, Mr. Harry Oppenheimer, talked of doubling the group's uranium output "in a few years time." The group's coal company, Amco, is meanwhile planning to spend \$240m. (£160.4m.) on expansion and modernisation.

Such clearly defined hopes for the future have been denied, at least temporarily, to two of the London Tin group of tin companies, which had been planning to change their domicile from London to Malaysia. The companies are Southern Kinta Consolidated and Southern Malaysian Tin Dredging.

Unit trusts, in an uncharacteristic display of muscle, used the votes at their command to foil

Wealth from emptiness

BY PAUL CHEESERIGHT

THE PRINCIPLE of moving from London to Malaysia is desirable and inevitable—but to the most of payment of terminal dividends. The trusts wanted to pay dividends for 1976-77 to be paid as a second interim before the companies moved. The trusts wanted to pay the dividends at the time when the companies were in Malaysia's New Economic Policy which demands immediate per cent domestic ownership natural resources.

What will now happen is uncertain. The companies are no mood to have further discussions with the trusts, but the same time they have, a move towards company with the provisions Malaysia's New Economic Policy which demands immediate per cent domestic ownership natural resources.

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INDEX RECOVERY SINCE LAST OCTOBER'S LOW

	% rise on	1976-77
	Yday	High
F.T. Ind. Ord. Index	467.8	470.2
Allied Breweries	67.8	76
A.P. Cement	71.9	112
BOC Int.	80.2	82
Beecham	83.6	500
Boots	113.9	75
Bowater	72.1	122
BP	45.7	557
Brown (John)	146.1	193
Courtaulds	75.3	133
Distillers	62.5	159
Dunlop	110.5	120
EMI	32.4	238
GEC	67.8	204
Gloxo	73.5	517
Grand Met.	104.9	85

U.K. INDICES

	% rise on	1976-77
	Yday	High
GKN	352	352
Hawker Siddeley	650	668
ICI	395	406
Imperial Group	61	62
London Brick	56	56
Lucas Inds.	288	288
Marks & Spencer	119	124
P & O Ltd.	162	162
Plessey	83	83
Spillers	37	38
Tate & Lyle	262	279
Tube Invests.	444	446
Turner & Newall	195	197
UDS	73	76
Vickers	186	187

	% rise on	1976-77
	Yday	High
Govt. Secs.	69.95	69.60
Fixed Interest	69.73	69.24
Industrial	46.25	43.84
Gold Mines	115.5	116.3
Dealings mtd.	8,127	6,630

BBC 1

Indicates programme in black and white

9.00 a.m. Chigley. 9.15 These are the Days (cartoon). 9.30 Robinson Crusoe. 10.00 Afloat and Trum on Cricket part 5: The Past Men. 10.25 Zorro. 10.35 Weatherman. 10.45 Cricket: Benson and Hedges Cup: Sussex v. Kent. 12.30 p.m. Grandstand: Football Focus (12.35). European Women's Gymnastics Championships (1.00). Canoeing (1.15) from Bala, North Wales. Racine from Newbury (1.30, 2.20, 2.30). Cricket (2.05, 2.55, 3.05) Benson and Hedges Cup: Sussex v. Kent. Rubby Leach (3.50) a semi-final match in the Premiership Trophy. 4.45 Final Score. 5.05 The Harlem Globetrotters v. The New Jersey Reds. 5.30 News. 5.40 Sport/Regional News. 5.45 Roll on Saturday—OK? 6.15 Saturday Night at the Movies: "Artists and Models," starring Dean Martin and Jerry Lewis. 8.00 The Val Doonican Music Show. 8.45 Kojak. 9.35 That's Life with Esther Rantzen. 10.15 News. 10.25 Match of the Day Special. 11.45 Saturday Night at the Mill. All Regions as BBC-1 except at the following times: WALES—8.50-9.15 a.m. Telfant. 10.10-10.30 p.m. Cricket: Glamorgan v. The Australians. Grandstand (2.05-2.20, 2.35-2.50, 3.05-3.45) Cricket: Glamorgan v. The Australians in place of Sussex v.

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BBC 2

Your savings and investments

New yardsticks for gilts

BY ERIC SHORT

TWO QUESTIONS which an investor usually asks concerning his portfolio are, how well has it done and has it done better than the market. These are reasonable questions to ask and with the advent of low priced pocket calculators, the investor can deal with the first question himself, providing he is prepared to do a little work and has kept the relevant copies of the Financial Times.

The second question, however, needs an adequate and independent measure which will show how the market has performed and against which the investor can gauge his own performance. The FT-Actuaries series, started in 1962, has provided investors with the means of measuring equity performance, not only of the market as a whole, but of the various sectors that make up that market. These indices are now accepted as standard measures for assessing equity portfolio performance.

The private investor has now become more interested over the past 12 months in the gilt market, either by direct investment or through a gilt fund. Thus it is likely that he will want to be able to measure gilt performance. But up to now the available gilt indices have not really been suitable. The actuaries, when designing the indices originally, felt that the gilt sector was the province of the large institutions where the managers were quite capable of doing their own analysis of the gilt portfolio.

To meet this growing need for a suitable measure of the gilt market, the FT-Actuaries will, from next week, show a completely new style of presentation, the format being as shown. At first sight, it may bewilder the layman, but this style has been reached after months of

FIXED INTEREST PRICE INDEXES					FIXED INTEREST YIELDS			
As at 23.5.77					As at 23.5.77			
Index	Value	Change	Yield	Index	Value	Change	Yield	
1. Under 5 years	100.00	+0.82	3.72	1. Low	5 years	7.70	7.29	8.38
2. 5-10 years	116.65	+0.44	2.62	2. Coups	10 years	10.74	10.61	11.48
3. Over 10 years	136.73	+0.52	4.69	3. Coups	20 years	11.82	11.82	12.73
4. Irredeemables	122.58	+0.45	6.88	4. Medium	5 years	9.58	9.59	10.14
5. All gilts	122.58	+0.45	5.95	5. Coups	10 years	11.61	11.61	12.41
				6. Coups	20 years	12.31	12.31	13.32
				7. High	5 years	10.43	10.45	11.12
				8. Coups	10 years	12.78	12.78	13.19
				9. Coups	20 years	12.96	12.96	13.56
				10. Irredeemables		12.98	12.98	13.69

research and discussion to meet all possible needs.

The gilt market is not a homogeneous one, but has various sectors that may need separate analysis. The new format subdivides the market into the most natural divisions by date to redemption and by size of coupon. The various sectors will be of interest to differing investors—high rate taxpayers go for the low coupon stocks, low rate payers to the higher coupons. The new presentation shows price movements and yield changes separately.

The number of gilt stocks on the market is comparatively small, so the price indices shown represent the complete market value of all stocks in that sector expressed in the form of an index. The base is 100 on December 31, 1975. For example, the irredeemable sector price index reflects the movement in the market value of the whole of the issued stock of the six irredeemable gilts. Thus the indices represent the movement in value of an average portfolio rather than the movement of the gilt prices themselves.

Thus the actuaries have designed the index primarily to measure portfolio performance.

Interest complicates the picture in dealing with gilts. The prices used are middle market prices which include an allowance for accrued interest to date. Dividing one index by another will give a measure of price movement or change in capital values but that will not separate the change in interest content.

The x.d. adj. column represents the amount of gross interest received to date from the beginning of the calendar year. This is included so that the performance of a fund rolling-over interest can be made. The increase in interest has to be added to the final price before dividing by the initial price to measure changes. For example if the base index is 110 and the adj. is 8.0 and one month later the index is 112 and the adj. is 8.2 then the change in performance is $\frac{112 + (8.2 - 8.0)}{110} \times 100 = 102$, an increase of 2 per cent.

Investors with gilt funds may well be advised to use the tables that do not will appear in *Planned Savings and Money Management* for measuring gilt performance.

The gilt market movements are better judged by looking at changes in yields rather than just the prices. For this reason, the new format shows gross redemption yields for the various sectors so that comparison can be made with yields of individual stocks. In general, a stock with a higher yield than average could be cheap and vice versa. But the gilt market will always remain an area predominated by specialists and investors should be wary of proceeding without professional guidance.

When the worm turns

FOR MANY years, unit trusts have been under pressure to take a more active interest in the management of the companies in their portfolios and to stand firm if actions were taken by the companies which did not serve the interests of shareholders. Taking an active interest is still not a generally popular line ("why not sell the share" is the favourite strident). But the revelation by M and G of the size of its holdings in Malaysian Tin Dredging, a company in which it has a 5 per cent stake of more than 5 per cent, this week underlined the potential muscle of the trusts to make

shareholders where they feel that the companies are being ignored. For example M and G holds 101 per cent of Guthrie Corporation and 8.5 per cent of the recently formed Harrisons Malay Estates. The immediate cause for dispute is the matter of the unit trusts' opposition to the tin mining companies in the London Tin Group—Southern companies are a sector where unit trusts are heavily represented—a feature of the race to high income over the past decade. It is also significant that the ring leaders of the

Genuine growth

BY JAMES BARTHOLOMEW

Company	5 year % annual growth rate	Dividend yield	P/E
20. Dunbee-Comber	59	5.9	7.6
197. Raci	52	3.3	11.6
36. Dixons Photographic	40	2.9	9.7
144. Associated Dairies	39	0.5	20.0
58. Kwik Save Discount	38	3.2	17.6
21. Gallenlamp, A.	36	2.3	9.3
62. Croda International	34	4.8	8.6
113. Alexander Howden	33	4.9	9.6
29. Allied Colloids	32	3.4	20.5
Industrial Group Index		5.7	9.4

fact these companies are not far behind with growth rates of about 26 per cent. But their omission does emphasise the point that the bigger you get, the harder it is to go on making really big percentage advances. Everyone has to go ex-growth one day: even IBM, the most illustrious of growth stocks, is now only 28th in Forbes magazine's ranking for growth among American companies.

Also missing from the list is any representative from the engineering sector, the supposed backbone of British industry. action group include younger members of the unit trust management fraternity such as Lawrence Banks of Save and Prosper and Brian Banks of Britannia. M & G was also active as is usual on these occasions.

This is the first time that unit trusts have come out into the open with their objections and let's hope that it will not be the last. But, apart from M & G, they still seem very coy about publishing the extent of their interests in companies, preferring to shelter behind their official exemption from having to declare.

Three of the top performers are retailers, completely outside the "manufacturing base" which one government after another has sought to encourage. But this is the trend of mature economies generally and a similar pattern exists in America where companies like McDonalds and Pizza Hut figure in the top 50. And at least the list includes four representatives from newer industries like chemicals, electronics and scientific instruments.

The problem when buying growth stocks is knowing how much of a premium to pay. The story goes that IBM, at the height of its popularity, was valued on a p/e ratio which could only be justified if the company was going to become as large as the entire U.S. economy. So it is worth trying to calculate what kind of growth you are demanding of a company.

Earnings have, of course, been somewhat discredited as a basis for share valuation. Inflation and inflation accounting have cast doubt on their validity leading investors to prefer the dividend in the hand. But if confidence returns and the rate of inflation falls this may change again, certainly for the high tax payer to whom dividend income is a mirage.

The other drawback to growth stocks is the risk that they will lose their status. If by some twist of fate, the world became a more peaceable place and the bottom fell out of the military equipment market, Raci could be in severe trouble. Investors would then suffer from what stockbroker Wood McKenzie calls "double play." The fall in earnings would cut the share price down and the simultaneous fall in the p/e rating would batter the shares into the ground.

"Double play" can, of course, work the other way, when the earnings and the rating both go up at the same time. This is when the really big capital gains can be made. Such companies are likely to be among the smaller ones where the growth potential has not yet been noticed—the Racals of tomorrow. Meanwhile, the Racals of today offer good value to the long-term investor.

CHRISTOPHER HILL

Up like dragon's teeth

WHEN THE boom in linked life business took off in the late 1960s and early 1970s, the old established life companies, in general, stood aloof from the sector. It was considered as nothing more than a gimmick which would not stand the test of time. Far better it was bandwagon and announced the thought to stick with the launch of a complete range of profits endowment contracts, linked bonds—equity, property, whose reliability had been tested through successive test-pilot and bear phases. The collapse in the market in 1974 seemed to justify such a cautious attitude.

But linked business did survive and is now an established and expanding feature in the life assurance field. Some investors want policies which offer the chance of a greater reward from their investment than do traditional life contracts, even if some risk is involved. And that message, at last, seems to have got through to the traditionalists. Beneath their detached air, they appear to have done some hard thinking and some solid market research into

the sales potential of unit-linked business. The fruits of these efforts are now appearing. Earlier this year, Sun Life Assurance formed a subsidiary linked-life company—Solar Life Assurance. Last week, Equity and Law climbed aboard the thought to stick with the launch of a complete range of profits endowment contracts, linked bonds—equity, property, whose reliability had been tested through successive test-pilot and bear phases. The collapse in the market in 1974 seemed to justify such a cautious attitude.

Phoenix Assurance, a company founded nearly 200 years ago, and which has gone further than most in linked business with its Wealth Assured fund, went the whole way recently by taking over Property Growth Assurance, a company that has established itself in the linked field. Phoenix, by this action, was going for the direct sales potential of the business. But the catalyst which has brought about this reaction from traditional life companies has been not so much the per-

formance of Abbey Life and Hambro Life, but the outstanding success of Vanbrugh Life under the Prudential Assurance banner. This achievement, above all, has shown that the oft proclaimed investment expertise of traditional life companies, built up over the years, is not always just an idle boast.

One feature of linked contracts is that the underlying investment performance can easily be seen. In this respect, the Pru investment team at Vanbrugh has emerged, so far, with honours. Equity and Law has had consistent success with its unit trust, but some life companies have not done as well in their limited ventures. Nevertheless, the next 12 months is likely to see more traditional life companies enter the wholeheartedly into the linked market—they tend to follow each other like sheep in search of new pastures—and linked plans are going to spring up like dragon's teeth.

ERIC SHORT

Insurance nationalisation would lead to a reduction in efficiency, poorer service, less choice, more bureaucracy, higher costs, lower returns and greater political interference.

The advantages are more difficult to define.

One thing's for sure. The nationalisation of leading insurance companies would not be in the best interests of our policyholders or our employees—not to mention our shareholders.

Which seems to us to involve an important point of principle.

What's more, because it fails to distinguish cause and effect, Government control over the investment of our policyholders' funds would be no solution to our basic economic problems either.

As our Chairman, Hervey Stuart Black, comments in his latest Annual Statement: "What is needed is firm Government action to create a stronger and better balanced economy. This will restore confidence and encourage industry to invest the very substantial funds which companies, such as ours, are only too willing to provide."

A copy of the Report & Accounts, including the Chairman's full Statement, can be obtained from The Secretary, General Accident Fire & Life Assurance Corporation Limited, General Buildings, Perth, Scotland, PH1 5TP.



General Accident

Honestly, it's the best policy.

TARGET INCOME FUND

Our Aim: to increase your income...

9 1/2%

...and your capital too.

INCOME +112% CAPITAL +48% SINCE 1970

Since December last year Minimum Lending Rate has dropped from 15% to 8%.

This is the good news. The bad news is that inflation is still running at 15% and it will be a while yet before it comes down to single figures.

An investment which offers a combination of a high immediate income and prospects of long term capital growth is, for many people, ideal during a period of rising prices and more or less static incomes.

Target Income Fund is just such an investment. In addition, there are other important aspects of this fund which should not be ignored.

1. Valuable tax advantages on capital gains applicable to authorised unit trusts.
2. A broad spread of investment given by the pooling of many people's investments.
3. The aim is to increase not only the high immediate income that is currently offered but also the capital.

And the record of the fund since it was formed in April 1970 is very sound.

Income: Gross distributable income this year is 112% higher than in the first year—providing substantial protection against rising prices.

Capital: Offer price up 48%. FT All-Share Index up 33%.

THE OUTLOOK
We believe that the current high yields obtainable from sound and marketable second-line equities will not last long. Therefore, against a background of falling interest rates, we recommend buying Target Income Fund units now. Until 20th May 1977 we are offering units at 270p x.d. At this price, units are estimated to yield 9.50% per annum gross.

Remember the price of units and the income from them can go down as well as up. Your investment should be regarded as long term.

THIS OFFER CLOSING ON 20th MAY, 1977

APPLICATIONS and cheques will not be acknowledged but certificates will be sent within 42 days of the close of the offer.

YOU MAY SELL YOUR UNITS at any time at a price which will not be less than that calculated by Department of Trade regulations. Payment will be made within 10 days of receipt by the Managers of the renounced certificate. Prices of units and yield are quoted daily in the National Press.

AN INITIAL CHARGE of 5% is included in the sale price of the units. The Managers will pay commission of 1% to qualified Agents.

THE MANAGERS reserve the right to close the offer before the date stated above if the price of units varies by more than 25% during the offer period. After the close of this offer units will be available at the daily price.

INCOME less tax at the basic rate will be distributed on 31st May and 30th November each year. An annual charge of 5% of the value of the Fund plus VAT is deducted from the Income of this Fund. Units purchased now will qualify for the distribution on 30th November, 1977.

TRUSTEE: Midland Bank Trust Company Ltd.
INVESTMENT MANAGERS: Dawney, Day & Co., Ltd.

TARGET TRUST MANAGERS LTD. (Invt. Co.) TARGET HOUSE, GATEHOUSE ROAD, AYLESBURY, BUCKS, HP8 5EB

1/10p with 10p to invest in Target Income Fund units at 270p x.d. per unit (Minimum initial holding 200)

and enclose a cheque made payable to Target Trust Managers Ltd. (We declare that I am not a resident outside the United Kingdom and I am not an authorised agent of any overseas resident outside these territories. This offer is not available to residents of the Republic of Ireland. This offer closes on 20th May 1977)

Please tick one box only: ☐ I have not sold any units and wish to open a new account. ☐ I have sold units and wish to open a new account. ☐ I have sold units and wish to open a new account. ☐ I have sold units and wish to open a new account.

Signature (in block letters) — This certificate will be prepared from this form. Do not write in block letters. Do not write in block letters. Do not write in block letters.

Name in full (Do not misspell) Address

Target Income Fund

Reg. in England No. 241246. This Office: 70 Broad Street, London EC4A 3DF. Member of the Unit Trust Association. Total Funds under management in the Target Group: £10,000,000.

Finance and the family

No demand for rent

BY OUR LEGAL STAFF

My daughter owns a house on which there is an annual charge called a fee farm rent of 57. She asked to buy it outright, and a ridiculously large sum was demanded, but ever since then, she has not been asked for the rent. Is she in danger of arrears causing her to lose the property?

So long as she pays the rent if it is demanded your daughter should not be in danger of losing her property. If the rent remains outstanding for more than 12 years, she cannot be required to pay more than 12 years' arrears.

Class 4 NIC contributions

My wife is a doctor in the employment of the local health authority. Until moving to her present location I used to make an annual return of her earnings and her tax liability was derived therefrom. The tax authorities here, however, operate on another basis, namely to treat her earnings as profit and tax her on the previous year's profit and they also appear to treat her as liable to Class 4 NIC.

Can the authority change in this way? Can a person be liable to both Class 1 and Class 4 NIC?

Class 4 contributions are levied on schedule D assessments, while class 1 contributions are levied on earnings which are subject to the PAYE system of schedule E tax. Someone who

is liable to class 4 contributions is generally liable to pay class 2 contributions as well. However, there are overall limits, and refunds are made after the end of each tax year where appropriate. It is sometimes possible to avoid having to pay too much NIC, but action must be taken before the beginning of the tax year.

The rules are complex and arbitrary—particularly in relation to married women—so what we have outlined above must not be taken too literally.

Your wife should read the following free leaflets, which are obtainable from most DHSS offices: NI1—National Insurance guidance for married women; NP18—Class 4 national insurance contributions; NP28—Class 1 NIC for people with more than one job which, we hope, will make the position clear.

Estimates for works

With reference to your reply of April 2 under Estimates for Works you referred to statutory checks on service charges in blocks of flats. Could you tell me what are the Acts of Parliament covering the matter? Do I understand you to say that specific figures are mentioned in the Acts?

The relevant statutory provisions are contained in sections 90, 91 and 91A of the Housing Finance Act 1972. The latter

Letting property and income bonds

In respect of the year 1976-77, there was an agreed liability on the maturing of two guaranteed income bonds set up prior to March 26, 1974. Amounts were substantial, leading to a step in the higher rates and to the full investment income surcharge after top-sliding relief. The assessment is believed to be under Case 6. Should it be?

There have been agreed losses on furnished lettings which if allowed could reduce substantially the income bond profits. Previously there were profits from furnished lettings, believed to be assessed under Case 6. The Tax Inspector has declined to allow furnished lettings losses against the bond profits on the basis that both items come under Case 6, but no reason was given. Have I a case for an appeal?

The furnished letting profits (before 1973-74) must have been assessed under case VI of schedule D, since you did not make an election under section 67(2) of the Income and Corporation

Taxes Act 1970. The furnished letting losses for 1973-74 and 1974-75 are therefore case VI losses, eligible for relief under section 176 (3) of the Taxes Act.

Gains on guaranteed income bonds which were issued after March 26, 1974, are specifically stated to be chargeable under case VI (in paragraph 17 (b) of schedule 2 to the Finance Act 1975), so the puzzle only relates to bonds issued on or before March 26, 1974.

You have a case for appeal, but it seems quite likely that the Board of Inland Revenue would decide to take the matter to the House of Lords, so the cost to you could be prohibitive, even if you won at every stage. Special Commissioners, Chancery Court, Court of Appeal and House of Lords. We suggest that you get in touch with the insurance company which issued the bond, to see whether they will take up the point on behalf of their bondholders—perhaps in conjunction with other companies in the bond market.

Meanwhile, when the 1976-77 assessment notice is issued, we suggest that you give notice of appeal to the Special Commissioners (rather than the General Commissioners).

Common land claim

Along with two others I own some cliff top grazing land. A common land claim was lodged by a neighbouring landowner and I registered an objection. I have been approached to withdraw my objection, with a view to settling the matter without going to a Commons Commissioner. What would be the

result of agreeing to this? What do you suggest I do? The effect of withdrawing your objection would be to establish the land in question as common land; the practical result of which would be that you could never use the land otherwise than for grazing, and could not let it unless the land is registered as a cattlegraze. As these consequences may be of very material effect on the value of your land you would be wise to consult a solicitor before agreeing to withdraw your objection.

Capital gains and transfer taxes

A son jointly with his father buys for £4,000 a property which is the father's main residence. Can he claim tax relief on the interest payments? If the property is sold for £14,000, but the son only requires his original £2,000 back, would the difference between £2,000 and £7,000 be treated as a gift to the father and be liable to capital transfer tax? And what about capital gains tax?

No. The son cannot claim interest relief. The gift of his gain would be subject to Capital Transfer tax and the gain would be subject to Capital Gains tax, the gift of course being less the Capital Gains tax. We would point out that it should normally be possible to avoid the Capital Transfer tax by making use of the £2,000 annual exemption for gifts.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

The rules of the game

BY JOHN PHILIP

IT IS A LONG established fundamental rule of British insurance law that the proposer has to tell his prospective insurer everything material concerning the risk he wants to insure. What is material is a fact that will influence the insurer in deciding whether or not to accept the risk and if to accept, at what terms and price to do business. In strict law it matters not if the proposer fails to make what the law calls full disclosure, whether this be through ignorance or inadvertence as contrasted with deliberation or malice. If the insurer is deceived, in the words of the 19th century leading law case "the policy is void."

With an increasingly wide divergence between strict law and the current practice of the majority, and at the same time a degree of variation in practice between individual insurers, and having regard to the summer oriented days in which we live, the time was probably ripe for a public pronouncement by insurers—both companies and Lloyd's—establishing rules to which all insurers could subscribe.

In the event a private member's Bill, now on its Parliamentary journey, has been the trigger: Mr. Michael Ward's Unfair Contract Terms Bill aims to subject to a reasonableness test exemption clauses in all consumer and in standard form contracts—but not insurance contracts, partly because of their particular legal characteristics. In return for this special treatment the Ministers concerned with the passage of

the Bill asked insurers for a statement of market practice. Ten days ago the Parliamentary Under-Secretary of State at the Department of Trade reported that the British Insurance Association and Lloyd's had drawn up a statement of practice (which was being recommended to the companies and underwriters) to cover certain aspects in the field of personal non-life insurance. He also reported that the life offices were willing to draw up a parallel statement of practice applicable to life insurance.

While the non-life statement was published in a Press notice issued by the DoT on May 4, it seems that some weeks will elapse before any life statement is ready for publication. There are differences between life and non-life law and practice and the life offices have only just begun to get discussions going. The assumption must be that in due time two statements will be coordinated, if not actually amalgamated.

The BIA-Lloyd's statement applies to insurances arranged by policyholders "in their private capacity only," and so the statement will not provide any yardstick of market practice for the transaction of commercial insurance business. This approach, however, is compatible with that of the Unfair Contract Terms Bill, which again is not aimed at commercial contracts. Nevertheless, as time goes on I think it inevitable that some, if not all, of the rules that the insurance market is to apply to private individuals (who form by far the greatest number of policyholders) will rub off on the commercial sector.

So, wearing our consumer, private capacity hats, let us see what the BIA-Lloyd's statement has to say about non life business. Because the proposal form is the starting point of almost all personal insurance contracts (the main exception being holiday policies) most of the statement deals with the content and use of the proposal form; other shorter sections deal with renewals and claims.

Once existing stocks of forms are exhausted each proposal form should contain a prominent statement which draws the proposer's attention to the legal consequences of his failure to disclose all material facts, and warning him that if he has any doubt as to whether particular facts are material then he should disclose them. This while it is simple to print apart, some redesign of questions in some proposal forms is indicated, to make certain that those matters which insurers

have found generally "material" are to be the subject of clear questions. There is no positive recommendation that the questions in the proposal form must be exhaustive, for it is just impossible to draft a form which will cover every potential material fact of any particular class. Where the questions are the insurer's warning, and it is set out separately any extra information.

But the severity of the law of non disclosure is to be seen to be mitigated; the statement declares: "The declaration at the foot of the proposal form should be restricted to changes according to the proposer's knowledge and belief." Perhaps when we get the official BIA-Lloyd's statement one assumes that what insurers will require is a statement of just what the proposer knows, since this puts a premium on ignorance, but what he can reasonably be expected to discover by intelligent but not exhaustive enquiry having regard to the risk he is asking insurers to bear.

This view is supported by another clause in the statement which provides: "so far as practicable insurers will avoid asking questions which would require expert knowledge beyond that which the proposer could reasonably be expected to possess or obtain."

I will discuss other aspects of what the statement has to say on proposal forms next week, but sticking to the theme of materiality, I think it worth noting here what the statement has to say on renewals. I strict law the so called renewal of an annual contract is not a continuation of the existing contract, but a completely new contract, which in the absence of anything to the contrary, is arranged on the terms of the old, on the assumption of its continuing validity of material information supplied at inception.

As relatively few policyholders know this, the statement declares that "renewal notices should contain a warning about the duty of disclosure, including the necessity to advise changes affecting facts which have occurred since the policy inception, and to disclose all material facts, and warning him that if he has any doubt as to whether particular facts are material then he should disclose them. This while it is simple to print apart, some redesign of questions in some proposal forms is indicated, to make certain that those matters which insurers

Taxation

Annual problems

AS FIRST recognised in tax law, annuities were the epitome of income. The recipient was to be taxed, and correspondingly the payer was recognised as having reduced his taxable income. The mechanism of "deduction of tax at source" was invented to deal with just such cases. The annuitant's receipts reached him having been already taxed, thus saving the authorities trouble in assessment and collection. More importantly, however, the payer would have been assessed on his total income before any reduction in respect of his payments. He was therefore entitled to retain the tax which he deducted at source, so that his tax burden was reduced to the level appropriate to his lowered income. Only in cases where the payer's income was turned from a positive to a negative

figure by the payment of the annuity was it necessary for the authorities actually to collect from him any tax. In all other cases his certificate to the annuitant correctly stated that tax had been accounted for to the Revenue.

Only on those occasions calling for an assessment was it syntactically necessary to say "has been or will be accounted for to the Revenue."

The second main category of annuity receipts are those in the nature of pensions. Any pension from employment is earned income in the hands of the recipient, whether he receives it as of contractual right or by his former employer's voluntary munificence. Employers, or their pension fund trustees, are expected to apply PAYE rather than deducting tax at the standard

rate. Where an employer has his pension obligations discharged on his behalf by an insurance company the latter will in all normal cases pay under PAYE.

Analogous to pensions from employment are the retirement annuities which a self employed individual (or an employee whose employer provides no pension) can "buy" from approved insurance companies. Payments up to 15 per cent. of net relevant earnings, with a contribution ceiling of £3,000 per year can be made by an individual during his working life, which build up into his personal pension at retirement.

Like employees' pensions, the benefits are not assignable, unless the possibility of providing a reduced pension for a surviving widow is regarded as a form of assignment. Commutation is

possible only to an extent comparable to that permitted for employees—the formula is difference, but the result is broadly similar.

What is very different is the permitted contribution pattern. A typical employee's earnings profile, in real terms, might show a rise in his first 20 years of employment to a level approximately 75 per cent. of what would be his final salary level. Actually it is thought necessary to set aside something of the order of 15 per cent. of earnings throughout a working life of 40 years, in order to provide the maximum two thirds pension on final salary. For those relatively very few employees whose earnings continue to rise strongly throughout the second half of working life, it will inevitably be necessary to "top up" the pension contributions well above 15 per cent. If two-thirds of the very high final salary is still to be the pension target. Compare this with the average self employed: until he is 35 he is likely to be an employee, and he leaves that status with a negligible preserved pension. In his remaining 30 years, his typical earnings profile will show continuing steady growth—no early rise and later flattening. It is not hard to see why 15 per cent. set aside in each of the self employed's 30 years will not provide him with a pension even approximating two-thirds of final earnings.

The tax law adds one final insult to these injuries—while employees' contributions are always calculated on earnings, the self-employed man paying off a mortgage will find that his 15 per cent. is dissimilar. Having ground that axe, let us return to annuities. There is a second, but not very significant anomaly form, also peculiar to the self-employed, known as the partner's annuity. This is one paid by the continuing partner or by an incoming partner to a retired one, either as part of the firm's arrangements in its deed, or as consideration for purchase of a stake in the firm. Up to a level based on the retired partner's best three years earnings in his last seven, the annuity payments are treated as his earned income, and correspondingly they go to reduce the payer's earnings.

Finally, and from a tax point of view in a class of their own, are the group of purchased annuities—purchased life annuities, deferred annuities, annuities certain and annuities policies. The common feature is that each instalment of the annuity is recognised as containing a capital, non-taxable, element as well as an income element from which the payer deducts tax at source. The Inland Revenue calculate the two elements for each contract, and once calculated the proportions remain fixed throughout the annuity period.

DAVID WAINMAN

Weekend Brief

Cannes opener

Conferences, it seems, are in the air. When Sir Harold Wilson tried to organise one of his own this month—a first sitting of the interim action committee on the Film Industry—he ran into troubles. There was a minor opposition event in the form of the Cannes Film Festival, an occurrence of such magnetic attraction that Sir Harold had to work fast to find a time that suited most of his show-biz troops.

Those members of the committee which now find themselves in Cannes may be interested in a visit to the Australian Film Commission's office where the energetic Alan Wardrop, who heads marketing and distribution for the AFC, will eagerly demonstrate what can happen when a film industry gets things together. The Commission was set up two years ago when Australian film makers, as in much the same manner, were in the British movie industry to-day. Its job is not only to put money into home brewed films, but also to market them, which is why Australia has much of its product offered in one glossy package rather than in fragmented job lots.

Now the Commission has cash in 35 projects and a track record which includes *Pleide* at Hanging Rock and *Caddie*. Pressure is growing on the Australian Government to improve tax concessions to film makers and bring in even more film making business. It is, plangent to note that part of the stimulus for revival was the drying up of supply of films from the U.K. "We had to get replacement product from somewhere," says Wardrop. Now where have we heard that before?

Cats and dogs

THE CAT is making in-roads into the British public's animal loving heart as a favourite pet. The proportion of families own-

ing both dogs and budgerigars has fallen over the past few years as the clean, capable, quiet, independent and sometimes mouse-killing cat has ingratiated itself into more and more homes. Not that the cat lives in any old house. The typical cat residence is a detached or terraced house in the country. The poor beleaguered budgie, on the other hand, is still prepared to make do with a corner in a council house or town flat.

These are the main findings of a report published by the petfood manufacturers, Pedigree Petfoods, aimed, it is claimed, at providing a background to the debate sparked off by the Department of the Environment's Working Party on Dogs.

Not that the report provides much ammunition for the anti-pet lobby. It acknowledges that the majority of people think that what is euphemistically described as "dog fouling of the streets" is unpleasant but points out that only 3 per cent. of dog-owners, and 16 per cent. of non-owners, think that dogs are unpleasant because they carry disease.

The report shows that the proportion of families owning pets has declined slightly over the last few years but this still leaves 49.5 per cent. of households owning some domestic animal. Budgies, it seems, have had a particularly bad time—possibly because their owners have been dying. But those who own budgies—around 8 per cent. of all families—still think they are good company and very easy to look after, the proportion of homes owning a budgie has fallen by around 8 per cent. over the last 12 years.

But if the decline in the budgie bulge has been building up for some time, the fall in dog ownership is a more recent phenomenon. The dog population, it is faithfully recorded, has increased by a third over the last 12 years to 5.3m. but drying up of supply of films from the U.K. "We had to get replacement product from somewhere," says Wardrop. Now where have we heard that before?

Dispite this, the dog still reigns supreme as Britain's favourite pet. About a quarter of all homes have a dog as against around 18 per cent. of households who have a cat. According to dog-owners and non-owners alike, dogs are good company. They are also useful for protection, help create a family atmosphere and encourage people to take more exercise. All of which may

explain why dog-owners—mostly families with both a car and a garden—are prepared to spend an average of £1.55 a week on feeding them.

The relative cheapness of cats—an average of 98.6p a week—may explain why the proportion of homes owning cats is growing as the proportion of dog-owning households is declining. The acceleration in the popularity of the cat coincided with the decline in the dog's fortunes in 1973 and now around 18 per cent. of homes have cats.

Shop talk

FEW PEOPLE can have enjoyed the last few days more than Tesco. The company, as its suppliers know only too well, enjoys a good fight, and the announcement on Monday that it was to drop Green Shield trading stamps after 14 years has generated the kind of excitement within Tesco not felt since the early 1960s when the emerging new supermarket groups were fighting to get established after the abolition of resale price maintenance.

In public relations terms Tesco has scored a coup. Front page news stories and numerous television interviews all rammed home the message that Tesco had taken over as the housewives' champion by not only promising to cut its own prices but also forcing its competitors to curb their increases as well. In the melee, the delicate question of whether, by giving away Green Shield stamps Tesco had had to charge higher prices than its competitors, got buried under the excitement about price cuts in the future.

Certainly many housewives will welcome these price cuts. Tesco is aiming to increase its volume sales by around 20 per cent. next year and if it is to do this, it will have to make some pretty dramatic price cuts on those products which the housewife buys regularly.

But against this, the housewife may find herself having to walk further to the nearest Tesco in the future. Stock market analysts have for some time been worried that Tesco was not shutting its smaller shops fast enough. Though Tesco says it can still make a good profit out of these small shops, it seems likely that if it manages to get the volume growth it wants through its new prices policy, it may be less worried about los-

ing sales through closing some of these smaller outlets. Some might be converted to shops selling only a limited range of products at very cheap prices, similar to those opened last year under the Adesga name and now to be brought back under the Tesco umbrella again but others may have to be closed. The money saved could then be used to accelerate the development of new, larger stores.

Colonial command

There is no comparison between the complexities of being envoy to a country of 200m. people and being Governor and Commander-in-Chief of a colony of 54,000 souls.

Nevertheless when Sir Peter Ramsbotham steps out of the Embassy in Washington and takes over running Bermuda this year he won't be entirely without political puzzles to occupy his brain.

The principal one concerns the timing of when the mid-Atlantic island drifts into independence. The Bermudians who already have a full measure of self-government don't seem to be worried either way about their tie with Whitehall but the Foreign and Commonwealth Office, anxious to get rid of the last vestiges of the colonialist image, would doubtless like to get rid of the territory as soon as elegantly possible.

Another problem is how the island should seek its image as a genteel corporate tax haven at a time when more rumbustious places farther west, the Bahamas, the Caymans and Panama compete more avidly for business.

The island benefited from a little discreet advertising last year when Bermuda was chosen as the base for a rescue plan for the financially troubled Maritime Fruit Carriers and when ICI's Bermuda-based finance offshoot floated a DM100m. bond issue.

And the Governorship of the island has not been without its touch of the macabre. In 1973 the then Governor, Sir Richard Sharples, was murdered by an odd-job man at Government House. Since then the post has been occupied by the Canadian-born former MP Sir Edwin "Ted" Leather.

Contributors:
Arthur Sandles,
Elmor Goodman



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How to spend it

Playing the restoration game

BY JUNE FIELD

IN TODAY'S economic climate the restoration game is being played with increasing intensity. Improving what you've got is usually cheaper (although not necessarily simpler, or quicker, or easier), than moving. But whether you are tackling a town house, country cottage or suburban semi, undertaking a substantial conversion or just making minor improvements, doing it yourself or having it done professionally, not only is a good source list of suppliers important, but some basic building "know-how" is too.

As a dedicated converter, I have found some of the product data sheets issued by manufacturers an enormous help; they are really factual, not just full of pretty pictures and usually comprehensible to the most technically minded.

For instance, it is no good waiting time considering a spiral staircase for a loft conversion or for access to a flat roof if there isn't enough space for one. The Birmingham Guild, Grovehurst Works, Sherburne Street, Birmingham B15 3LL (brochure available) point out that for their staircase you need a minimum of 10 sq ft of space, rectangular or circular, two inches greater than the diameter of the spiral required. Their helpful sketches go into the geometry of landing layouts, stairs and treads, balustrades and bannisters, and remind you that there are left and right hand staircases.

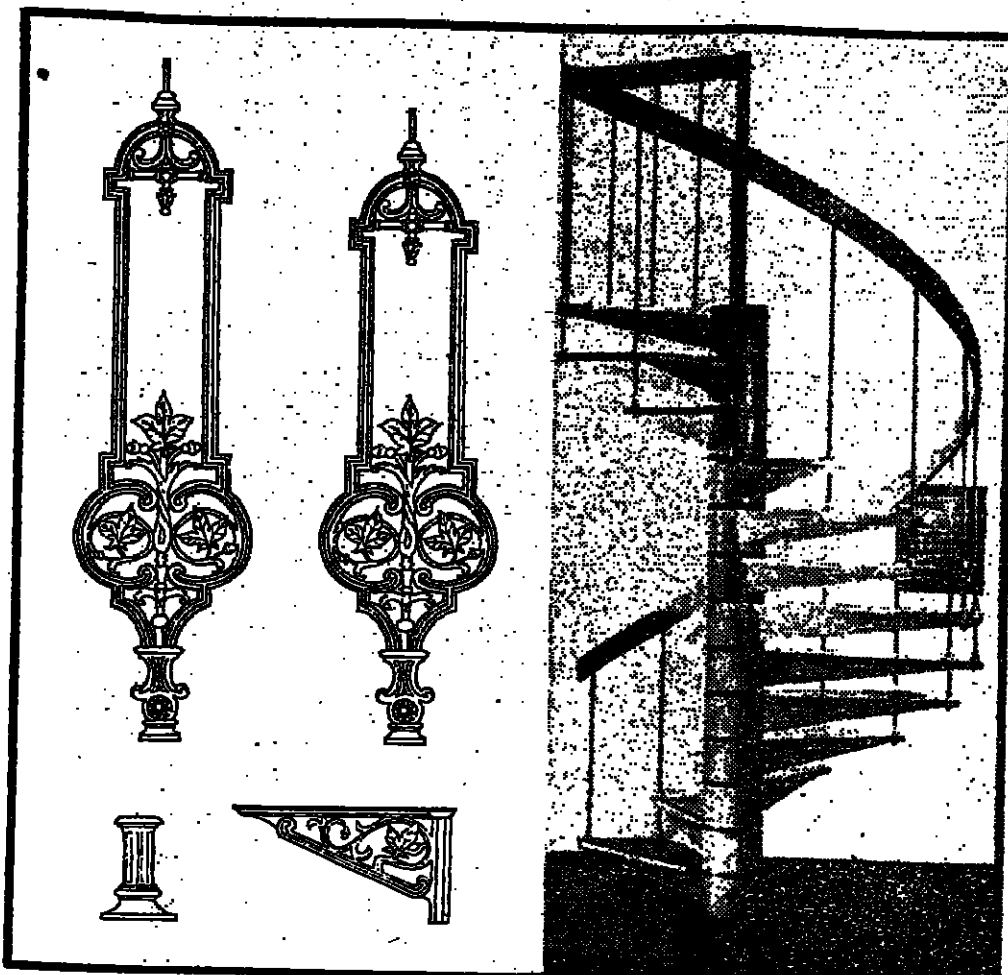
Pedley Woodwork has recently developed an economy version of a space-saving spiral. It comes in sections which lock together and they claim it can be put up by a competent do-it-yourselfer. A feature of the system (which is very contemporary-looking in design), is that you can vary the space between the risers. Certainly the idea of taking all the bits home in the back of the car is appealing, but the details need careful study. Write to Shirehill Works, Saffron Walden, Essex.



A VERY useful service that should interest anybody wanting to restore or repair an old house or building is that supplied by Albion Design, of The Studio, Ellington Street, London, N7. It is a company started only three years ago by a group of young designers who wanted to reintroduce one Victorian-era work though modernised and adapted to suit modern standards and building regulations. Their castings are mainly adaptations of old designs, and they produce many of the things that are difficult to find should Victorian buildings and their surroundings become damaged. For instance there is a charming selection of railings of all sorts which can be made from either cast-iron or aluminium. They can supply all the other architectural details that give Victorian houses such charm—things like grates, tie-

bar plates, and brackets. The studio's latest venture is to supply a Victorian-type spiral staircase which has all the aesthetic and visual charm of the originals but has been adapted to comply with the very stringent 1975 amendments to the Building Regulations. Treads and balustrades are made from cast-iron, the central post is steel, and the handrail (also supplied) is wrought iron. The staircase is delivered with all necessary screws and bolts, primed, ready for undercoating. Usually installation of the staircase is no problem and can be done by the builder or the owner but if it seems complicated Albion Design runs a service which will advise on all aspects. It is difficult to be precise about prices as they vary depending on whether it's a stock item or has to be cast especially. However, the staircases would start at £175 for a 4-foot diameter and include handrail, balustrade and central pole but excludes the VAT and delivery charge. For further details write to Albion Design, The Studio, Ellington Street, London, N7. LVDP

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Above left is a reproduction balustrade unit which is an exact copy of a Victorian original. This is just one of the designs offered by Spiral Staircase Systems of Lewes, Sussex. They also offer decorative risers made by craftsmen in cast aluminium. They can be spray painted satin black or white as standard colours or any other British Standard

colour can be ordered as an extra. Above right is for those who prefer a modern look staircase. Made by Pedley Woodwork, Shirehill Works, Saffron Walden, Essex, it is a fast-to-install spiral staircase that packs flat. The spiral treads fit easily into each other and an unusual feature is that the space between the treads can be varied.

old Georgian mantelpieces and pine doors which they will deliver and fit, too.

They don't issue lists because the stock changes so quickly. It is best to go along to their works at 6 Bruce Grove, Tottenham, London, N17, and search around for what you want.

I've seen some nicely carved pieces of stone suitable for garden ornaments, reclaimed after the bombing of the Houses of Parliament in World War II. Gothic-style doors from old churches, cast iron columns, pilasters and railings, as well as leaded lights and some stained glass.

If your house has lead glazed windows or Victorian door panels in need of restoration and repair, the Teddington Glazing Company, Hampton Wick, Surrey, specialises in this sort of work. Individually designed glass, beautifully leaded, can be had, too, through Object Supplies (Interiors), 124 Dawes Road, London SW6; the front door of the place in amber, brown, yellow and aquamarine stained glass is a rather splendid example.

The owner, J. Peter King, is in the pub conversion business (he has given a new look to over 50 for the big-name brewers), as well as providing a decor service for private houses. The main idea behind Object Supplies is to provide unusual pieces that will give even the most bread-and-butter conversion a lift. He has copper chandeliers with matching wall lights, and Gothic-looking lanterns in polished brass or black metal with panels into which glass or fabric can be inserted. They look splendid when lit. He also has a range of hand-painted ceramic tiles, covers 10,000 different items, has period brass door plates, handles, knockers, and some handsome black iron fittings for outside use, all at 3-5 Perry Street, London, W1, and at 49 Park Street, Bristol, and 120 Western Road, Hove.

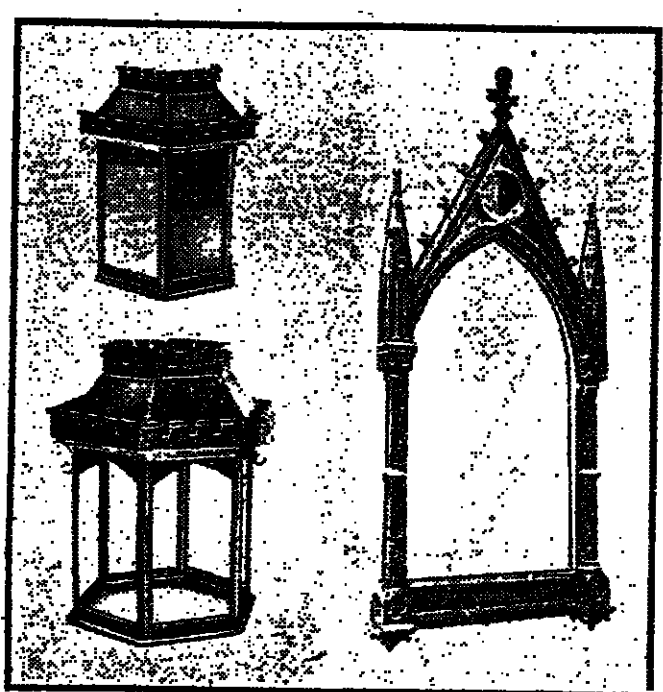
Christopher Wray's Lighting Emporium, 600 Kings Road, London, SW6 has one of the biggest selections of decorative lighting of the 18th or 19th I have seen, as well as keeping well-stocked shades, burners and wicks for oil and gas lamps. Bitter experience has taught them "the utter impracticability of sending our goods by post" so their services are offered to personal shoppers only. For their 92-page catalogue send £1 which includes postage.

If you want a complete Georgian period room (and can afford it, this authentic elegance does not come cheap), then the most stylish I have seen are at Crowther of Syon Lodge, Bush Corner, Isleworth. You can buy a complete room including wall panelling, doors, Adam chimney piece, the lot, as a package which includes installation. Their introductory brochure, which also shows antique garden ornaments, costs £1.

I am thinking of investing in a spot of antique statuary this year to make a romantic garden, and I am rather taken with some of the Regency-style urns made from Haddonstone; it is a pretty convincing re-constituted stone which looks just like the real thing. After a bit of weathering, they look lovely ancient. Send for an informative catalogue to Haddonstone, The Manor, East Haddon, Northamptonshire, (enclose 25p in stamps) where there is a magnificent show garden, or pop along to the Building Centre in Store Street, London WC1, where the complete collection is displayed. The urns cost from £17.50 and larger "Versailles" vases from £30.

Now that we are outside, let's look at that part of an old house that has suffered most from misguided modernisation—the windows. Rippling out elegant period timber sash windows and replacing with the with the larger aluminium rectangular framed type may give more light but completely upsets the proportion.

Most of the Regency houses in the road we live in have had their sash windows in the basement replaced by such



Object Supplies, run by Peter King of 124 Dawes Road will make a wide variety of individual items to order. They specialise in stained glass and can provide mirrors like this one copied from an original Gothic woodcarving. The frame is in glass fibre.

Because everything they make is unique they don't always have a great deal of stock but prefer to make things to order. These Gothic-looking lanterns in polished brass or black metal can be ordered in three different sizes and look splendid when lit up at night.

anachronisms to comply with regulations to give more light and air. But now that the road has been made a conservation area, no-one is allowed to renovate out of keeping; therefore, two flanking half-sized sashes at the side of the original opening would probably be acceptable and look so much better. Boulton and Paul, Riverside Works, Norwich are among several firms who make Georgian-type windows with the correct number of glazing bars and small-sized panes, and it really is worth the trouble to try and match them up with what you already have, whether you are conserved or not!

One of the problems of matching old windows is the fact that most contemporary timber casements are made on a 2-foot module, which means that they come in 2 feet 6 inches and 3 feet 6 inches. Magnet Joinery, Royd Ings Avenue, Keighley, Yorkshire, and Newson and Sons, 61 Pimlico Road, London, S.W.1, can supply 3-foot wide casements in a range of lengths from 2 feet 6 inches to 5 feet.

the highest fire standards, has good insulation properties, and is bird and vermin-proof, and, of course, there is no re-hatching to worry about. It could be good for glorifying summer houses or shed as well as a full-scale barn for converted cottages and barns.

Fibre-Thatch Roofings Ltd., Upper King Street, Royston, Herts, will send you a form on which you draw a rough sketch of your house. You don't have to worry whether you can draw or not, there are guidelines in the form of little sketches showing shapes, roof pitch, windows and so on. From these outlines the company will give you an estimate. It costs £1 per square foot and an average roof is 1,200 square feet.

If you need to restore a traditional Cotswold stone slate roof, Bradstone make effective substitutes moulded from original stone slates. They really do have the texture and weathered look of the genuine article. Cost is approximately £2.25 a square metre ex-works, that is, without transport costs, etc., but prices vary in different regions so it is best to get a quote from your local builders' merchant.

For resurfacing crumbling stone on the outside of an old house, the company also produces reconstructed masonry blocks which, when used side by side with old stone, matches in extremely well. Product Data Sheets from E.H. Bradley Building Products, Okus, Swindon, Wiltshire.

Although the purist in me is inclined to shudder, I have to admit that "instant beaming" is effective at a cover-up job for a multitude of sins, including masking rolled steel joists, unsightly pipes and so on, and are light enough to be put up by the do-it-yourselfers. Rowell and Davis (London) Ltd., 114 Christchurch Road, Ringwood, Hants, produce "old oak beams" in fire-retardant fibre-glass which is easy to cut. Maximum length is

who wish to restore old buildings and can't find originals to suit, their products can be amazingly effective though, some, of course, are more appealing to some tastes than others.

by Lucia van der Post

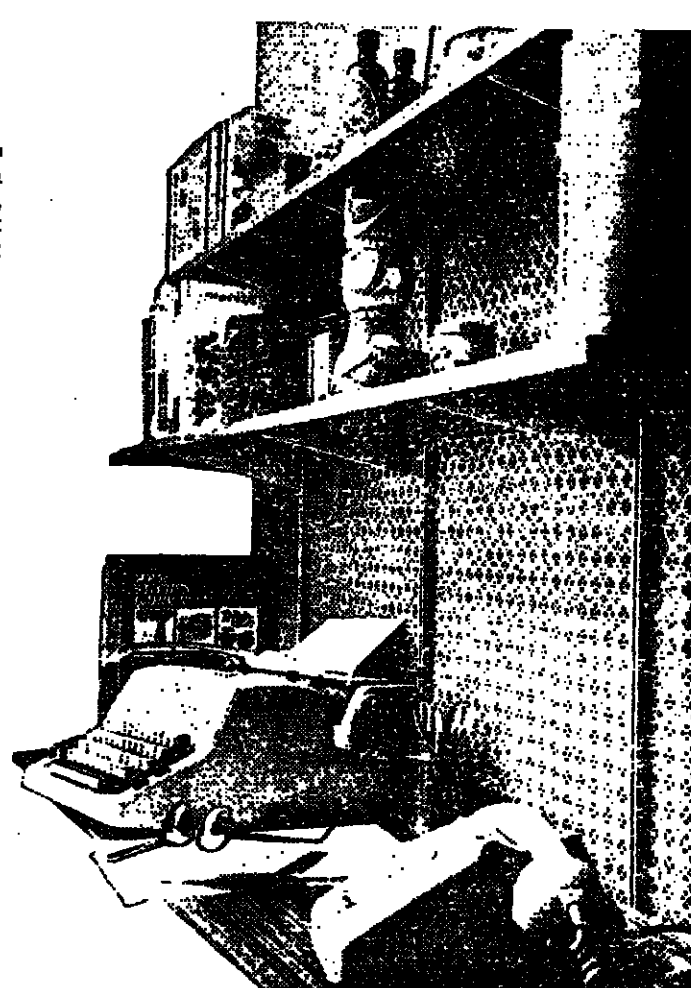
Shelve it simply

I DON'T think there is a householder I know that has enough shelving. As Archibald Kenrick, the company which has just brought out this new shelving system, put it: "Shelves are something women always need and men are always promising to fit when they have the materials, tools, spirit level and time."

That's the trouble with shelves—unless you buy, very expensively, a free-standing bookcase or shelving unit, somebody has to put them up and simple though this sounds anybody who has tried it will know that the possibilities for botching the job are almost endless. Archibald Kenrick have started from the premise that they should eliminate as many of the possibilities as they could. They decided that what most people wanted was a system that was simple to operate, simple to put up and simple to look at.

The system is called Glide and Lock and its main advantage is that the shelf brackets slide easily along the upright channels and can be locked into position at any point along the channel. Most systems depend upon the bracket being secured into one of several holes formed at fixed intervals along the channel. To be able to fix the bracket at any point is a great advantage, particularly in the sort of old houses so common in Britain where few walls are at right angles.

The whole system is made from smooth aluminium and the uprights are exceedingly slim: only 1 inch by 1 inch. Lest this sounds excessively fragile for a shelving system which is, after all, meant to stand up to a considerable weight, Kenrick say that they have tested it extensively and that two 10 stone people could safely sit on a 2 foot long, 6 inch shelf without



the system collapsing (always the photograph above shows just what the system looks like.

To install the shelving an upright should be screwed to the wall and Kenrick recommend that initially the screw is not tightened—allow the upright to fall naturally into position and then tighten the screw firmly.

A bracket can then be easily inserted into the channel and can be moved up and down until it is in the precise position required. When it is pulled down to a horizontal position it is locked firmly into place, the greater the weight on the bracket, the more firmly it becomes locked.

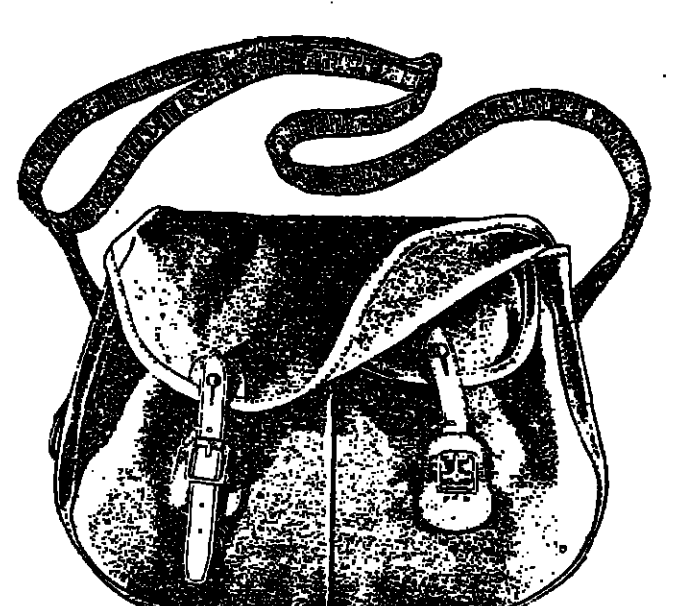
Obviously with shelving, appearance is all important but

Fisherman's friend

I'M A snob about handbags and feel that they should either be real, beautiful leather, like the soft Enny bags I showed last week, or else they should be made of something good, simple and honest in its own right—like canvas. Many of the nicest summer bags around are made of canvas but in my view one of the chicest handbags, for those who can't afford leather, are fishing bags made by the genuine fishing tackle firms for fishermen.

Models, who are usually first onto good new things, have been totting real fishermen's bags about for some time (if you're going to France on holiday this year look out for them there, they have some marvellous ones) but now more ordinary mortals have seen and copied their idea.

Benwoods Fishing Tackle shop, 60, Church Street (Edgware Road), London N.W.8, has two superb bags which will send by mail order. Drawn here is a Billingham Trout bag which has a detachable waterproof inner lining (for keeping the fish from damping the fabric but equally useful for protecting the fabric in ordinary life). There are several pockets and the whole bag is extremely capacious. This version (called



Janet Wheeler

15 ft, although specials can be made to order, and cost is about £2 per square foot of surface area.

John Rogers, 440 Barking Road, London, E.13, who specialises mainly in "old world" pub decor do 20 types of rustic Victorian and Gothic panels complete with cross beams and yellow brickwork. They measure 5 feet wide by 8 feet and fix direct to any type of wall, and cost about £60 ready-decorated. Their range extends to art nouveau and Victorian fanhead panels, as well as those in a linen-fold effect (all in glass fibre of course), which I personally like the most acceptable. I think they could give a rather grand look to a dull dining-room or alcove. They also cost about £60.

To install these products requires rather more than DIY methods, except for fixing old beams or single sections of panelling," admits managing director Mr. H. J. Rogers, who points out that it is really the sort of work that your local builder should be able to do, they are quite happy to advise on procedure.

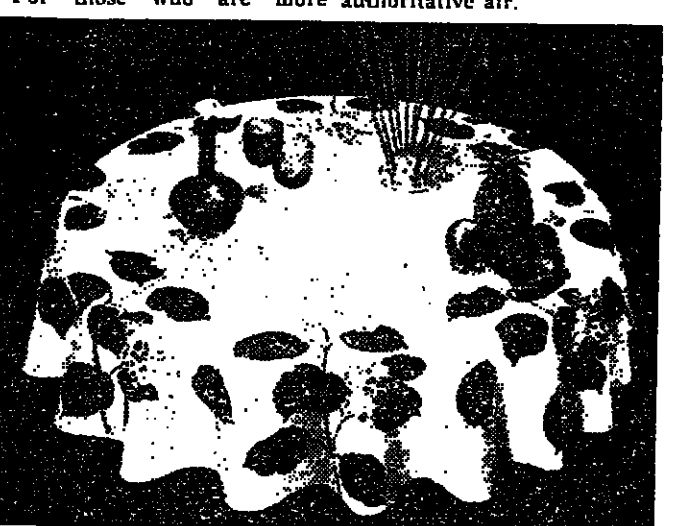
Write to them for their colourful brochure, which shows, among other things, the "before" and "after" of an English pub and a Boston, Mass., bar. The period package comes complete with all the appropriate bric-a-brac, horse brasses, hunting horns, stag's heads and suits of armour. The firm sees no reason why any of this shouldn't be used at home if you have a taste for that kind of thing.

I can almost see this "instant antiquing" catching on—it would even be possible to transform a semi to an old world half-timbered family seat.

JUST IN time for summer there has arrived a most enchanting collection of flower-strewn tablecloths from France. Elizabeth Eaton who runs a small but distinguished interior decorating shop at 25a Basil Street, London, S.W.3, has imported the work of a French textile designer, Paule Marrot.

Paule Marrot is not only a textile designer but a painter and, judging from the very fulsome notes of praise accompanying the information about her, she is clearly well in with all the artistic circles of Paris. Louise de Vilmorin writes about her thus: "Goddess of noons and moons, of delightful lunches and dinners, she has conceived and created sunny, inviting, exciting tablecloths, tablecloths designed to colour our intimate relationships, tablecloths redolent of poetry."

André Maurois, too, was a fan. "It is ravishing that a painter-poet has decorated our table. The fresh colours transform, once the guests have taken them in, the entire climate of a meal. It is as if La Fontaine, Jean Giraudou, Guillaume Apollinaire, Francis Jammes were seated at this table." After all this you may well be wondering (a) what can the tablecloths be like and (b) what on earth will one be expected to pay for such miracles of table-linen. Well, the cloths do seem to me incredibly pretty in a very countervailing way. They are almost all strewn with flowers, ranging from rather strong bold blooms to the most delicate of daisies and field flowers. Given that they have all been designed by a distinguished painter I do not think they are expensive—they are unique and are made from linen union or voile. They all have matching napkins and may be circular, oblong or square. The tablecloths must be ordered but they take only a fortnight to deliver. Prices start at £22.64 for a union or voile cloth measuring 51 in. by 51 in. and six matching napkins but go up to £62 for the largest, most expensive example. In our picture is a round tablecloth strewn with pink hydrangeas which costs £27.45.



French flora

The Arts

A Florentine tragedy

BY WILLIAM WEAVER

Though *Temistocle Solera's* pretto for Verdi's *Nabucco* includes exciting scenes of confrontation, revelation, confusion, and reflection, it does not have an easily followed dramatic line, and so the audience can either try to impose his own coherence on it, or he can take as it is: a splendid series of tableaux.

For the production that opened the Maggio Musicale in Florence last week, at the Teatro Comunale, Luca Ronconi and his designer Pier Luigi Pizzi chose the second course, and in so doing, they invented a thrilling sequence of stage-pictures which, in the end, made sense and enhanced the enjoyment of the music.

Pizzi first created a handsome stage frame. The stage's sides, most of the time, were a gallery, in the neo-classical boxes and friezes much like the interior of La Scala, except that there was a wide, shallow, playing area was further enclosed by a kind of box of rough brick, again without colours. A brick wall could descend to mark a change of scene. Also huge paintings, in elaborate gilt frames, descended from time to time to indicate the scene's emotional content or to illustrate a twist of the plot. These paintings were in the grand historical style of say, Antonio Ciseri or Angelo Enrie, and they were set in the time of Verdi's time. In a largely static opera, the frequent scenery changes were appropriate.

The chorus is the real protagonist of *Nabucco*, and Ronconi used it imaginatively. Even before the overture, a large group of choristers, most of them dressed in sober black 19th century formal clothes, came and took seats on the stage, apron, below the playing area, or at the sides. When the brick "curtain" went up, other members of the chorus in traditional costumes were seen on stage. Thus we observed the action as if in two layers: the "libretto" events played on the smaller stage; and the reaction to those events of the chorus, between them and us.

As the opera proceeded, and with it the parallel of the Old Testament story and the Risorgimento period, the nature of the chorus-audience changed; the severe middle-class Milanese were joined, or replaced by men and women of humbler station.

Similarly, Ronconi mixed periods in his costumes. For the earlier part of the opera, the Hebrews were dressed like Bible illustrations, and the Assyrians were also in traditional garb. But then, in the last act, when the mad Nabucco regained his reason,



Siegmund Nimsgern and Ronaldo Gaiotti

he stripped off his prisoner's sackcloth cap to reveal a uniform of the Piedmontese Army, complete with gold epaulettes. And when the wicked Abigaille's forces were defeated, the flag of the Italian Republic was seen at the rear of the stage, victorious.

In other words, the Ronconi-Pizzi production was consistently stimulating to watch. It offered thought-provoking enrichment of the action. And to this visual stimulation was added the joy of a brilliant musical performance. Riccardo Muti conducted, and as so often under his baton, the Florence orchestra seemed renewed. It played with an ensemble that if seldom achieves in other hands, along with admirable accuracy and sweetness, not only as a whole, but also in the numerous exposed passages for solo instruments (the flute was especially fine). The chorus, too, was both dynamic and moving. Inevitably, "Va, pensiero" was the high point of the evening (and for this scene Ronconi and Pizzi devised a breath-takingly beautiful scene of reapers and gleaners).

Except for Ronaldo Gaiotti, the soloists were not ideal, but they were inspired to surpass themselves. As Zerkow Gaiotti was a majestic, flowered prophet, dominating all his scenes. The baritone Siegmund Nimsgern (last seen here as William Tell) is no more a Nathan than he is a Rossinian; the voice lacks

nuance, and most of the time he simply sang too loud. But by the last act he was in better condition, and his prison-scene was affecting.

A notorious voice-wrecker, the part of Abigaille demands both remarkable agility and solid dramatic power. Cristina Deuteron has always had the former, but her icy voice would hardly seem right for Verdi's evil tyrant, who foreshadows his fall, and—Italy being Italy—its difficulties are obviously not over. But this current festival, so splendidly inaugurated, promises well: the programme is varied and provocative. Further reports will follow.

CHICHESTER—Waters of the Moon: Revival of N. C. Hunter classic with Ingrid Bergman bringing her own magic to enliven a solid production.

SHAFTESBURY—Rolls Hyde Hyde: Yet another play by William Douglas Home which makes heavy weather of the meeting of Rolls and Hyde, master of the wit and wit of the wit.

ALDWYCH—Destiny: David Edgar's powerful work on the dangers of fascism in Britain effectively acted and directed.

COTTESLOE—Sell Out. This

musical agit-prop version of the "Great Labour Betrayal" of 1931, performed by the Manchester Library Theatre, generally misses its mark.

ST. GEORGES—Merchant of Venice: Straightforward, if rather flat, production of the Merchant with solid performances from George Murrell and Anna Cartaret. Ideal for "O" Level students.

THEATRE ROYAL STRATFORD—Midnight's Silence: A bizarre re-creation of a 17th century court masque by Martin Duncan—the oddest contribution yet to the Jubilee.

The Sport of My Mad Mother

BY ANTONY THORNCROFT

When Ann Jellicoe's play *The Sport of My Mad Mother* first appeared at the Royal Court in 1956 it was more talked about than liked. A kind of cockney West Side Story, it chronicled the violent nihilism of an East End gang against the background rhythms of a drummer.

The subject matter is, of course, pure trash, and only the timeliness of the revival makes the play worth saving. It is currently on show at the Theatre Downstairs at the Roundhouse, performed by a group of recently graduated LAMDA students, and its parallels with the punk phenomenon are at first sight, extraordinary.

In the first act the performers recreate the incoherence of punk youth so vividly that they are virtually incomprehensible, but with the razor blades dangling from ears, the pink plastic jackets, and the constant jangling movement, that is such a feature of punkers, well caught this inaudibility hardly seemed to matter. With the drummer augmented by a bass, played amateurishly by all the others, the music also expressed the dumb hatred, hiding a feeling of social inferiority, which is the underlying force behind punk.

In the second half, when some sort of plot emerged, director Helena Kant-Howson loosened her grip on the punk associations and a more conventional musical emerged. But by then the damage had been done. The very strong contemporary flavour had completely swallowed up a rather facile play: a theatrical compromise was impossible.

The acting was variable, but Nicholas McAuliffe, as the "mother" figure, managed to stamp her authority on the gang when she finally made an entry, and Alyson Spiro, as the cowed girl who also asserts herself on the fearful but stupid men, also had a nice line in scowls.

Basically the attractive associations between the rhythm of the dialogue and the rhythms of punk music forced the play down an uneasy, and the jangling of 1950 colloquialisms, like "espresso" and "ficks", alongside modern references to David Bowie, were no help. For probably the first time the uncontrolled destructiveness of punk was accurately played out on stage, but in a very uncertain vehicle.

Wavendon Festival 1977

The eighth annual Wavendon Festival commences on June 3 with the new tradition opening concert by John Dankworth and Cloc Laine who founded the Wavendon Allmusic Plan in 1969 with the objective of breaking down the existing barriers between the various subdivisions of music.

Included in this year's line-up are: The Gabrieli String Quartet, Swingle II, Chris Barber, Peco Pena, Stéphane Grappelli, Doris Hare, Lenn Goossens, Joyce Grenfell, Annette Crosbie, The Temperance Seven, Osian Ellis, Marian Montgomery, Richard Rodney Bennett, The National Youth Jazz Orchestra, Maxia Carter, Donald Swann, The London Saxophone Quartet, Don Rendell, Kathy Stobart, George Chisholm, The Parloir Quartet, Keith Nichols and Terence Judd, the 18-year-old winner of the 1976 British List Piano Competition.

This year's Festival comprises 28 events spread over a period of six weeks and taking place at six different venues in and around

the new city of Milton Keynes. The capacity of the venues ranges from 300 at the Stables to over 2,000 in the Old Rectory Gardens, the site of the Jubilee Jamboree with the National Youth Jazz Orchestra and the Wavendon Folk Festival on July 3.

One of the most interesting concerts will take place on June 10 when eminent personalities in the world of music pay tribute to obitist Leon Goossens on the eve of his 80th birthday. The guests will be introduced by Joyce Grenfell. In contrast, following this concert as a late-night spot, Marian Montgomery and Richard Rodney Bennett join forces to present an intimate entertainment in words and music.

The saxophone has an entire evening devoted to it on June 12. The film *Saxophilia* indicates the form that the concert will take: all types of music for the saxophone will be performed by leading virtuosos of the instrument—The London Saxophone Quartet, John Dankworth, Don Rendell, Kathy Stobart and Tony Coe.

This week's theatres

CHICHESTER—Waters of the Moon: Revival of N. C. Hunter classic with Ingrid Bergman bringing her own magic to enliven a solid production.

SHAFTESBURY—Rolls Hyde Hyde: Yet another play by William Douglas Home which makes heavy weather of the meeting of Rolls and Hyde, master of the wit and wit of the wit.

ALDWYCH—Destiny: David Edgar's powerful work on the dangers of fascism in Britain effectively acted and directed.

COTTESLOE—Sell Out. This

musical agit-prop version of the "Great Labour Betrayal" of 1931, performed by the Manchester Library Theatre, generally misses its mark.

ST. GEORGES—Merchant of Venice: Straightforward, if rather flat, production of the Merchant with solid performances from George Murrell and Anna Cartaret. Ideal for "O" Level students.

THEATRE ROYAL STRATFORD—Midnight's Silence: A bizarre re-creation of a 17th century court masque by Martin Duncan—the oddest contribution yet to the Jubilee.

Collecting Treasure chest no more

NOW that all the heat of controversy has dissipated, the collection at Mentmore Towers is near its end. This week the privileged and the Press have been viewing it; this weekend and on Monday the public—or at least those who have a catalogue (and some of the five huge volumes are already sold out)—will be admitted to view. The series of sales start on Wednesday; and by the end of the following week, the great house will be emptied, after one hundred and twenty-five years.

Mentmore was built by Joseph Paxton, then at the peak of his celebrity as the creator of the revolutionary "Crystal Palace," erected in 1851, the year before he designed Mentmore. The house was in the "Jacobethan" style, modelled on the exquisite Wollaton Hall near Nottingham, but scaled up to suit the opulence of the times and the patron.

This patron was Baron Mayer Amschel de Rothschild, whose father, Nathan Mayer de Rothschild, had been sent by his father to London in 1797 as a young man of 20, to establish the London branch of the family banking house.

The second generation of English Rothschilds evidently favoured Buckinghamshire. Not far from Mentmore Towers, Baron Mayer's cousin Ferdinand lived at Waddesdon Manor, while Alfred de Rothschild had a house at Balton. Their three collections, completed amiably (Waddesdon is still intact, though Balton was dispersed after its owner's death).

All three shared the same taste for French eighteenth-century furniture and works of art, though Baron Mayer seems to have been first in the field. His treasures are the collection of a rich man, certainly, but also of a very shrewd buyer, in the 1840s and 1850s few collectors were taking a serious interest in French eighteenth-century furniture, and even the finest that his three ambitions were pieces like the bureau-pot, the Derby and to marry a Rothschild son of Louis XV, or the magnificent ormolu-mounted marquetry secrétaire en ébène signed by Baziart van Risen.

Even the guest bedrooms at Baron Mayer Amschel de Rothschild, indeed, were furnished with Louis XV and Louis XVI commodes, their marble tops cut to accommodate wash-basins and taps. Baron Mayer's lessons were still more or less used to explain that it was a pity, but the auction labels, cheaper than buying new ones from Maples.

Baron Mayer died in 1874, leaving his daughter Hannah the richest orphan heiress in melancholy air. The day when the country, with a fortune of Lady Eastlake exclaimed, "I do



The bureau cabinet, probably made by Michael Kummel for Augustus III King of Poland, and Elector of Saxony, which was acquired by the Government before the sale.

financial terms) among the more monumental treasures of furniture and tapestries, include a little orange tree made of metal, standing in a kingwood tub and with two feathered birds among its branches—dating from 1757. It is apparently the earliest surviving singing bird mechanism. A life-size silver statue of a dwarf is supposed to be Sir Jeffrey Hudson, the pet of Charles I and Henrietta Maria, who as a child was presented to the King, hidden in a pie, by the Duchess of Buckingham.

Houses cannot be all treasure, though, and the fifth volume of the catalogue lists the general contents of the house, among them, modest things like canes and coat-hangers. The hip-baths, the hot-water cans, the long inventory of writing boxes and blotters provide nostalgic insights into Victorian country house life. For those of us who can't aspire to share in Mentmore's greater treasures, there are always the stable lots, like the laundry-baskets "containing a miscellaneous collection of pans and kitchen utensils" or lot 2694, "Seven brass 'Smoker's Companion' ashtrays, and a brass letter scale."

JANET MARSH

Saleroom

A painting by James Jacques Tissot, "Waiting for the Boat at Greenwich," sold for £12,000 yesterday at a Christie's auction of Victorian pictures which totalled £174,470.

The painting shows Tissot and his mistress, Mrs. Kathleen Newton, as passengers waiting on the jetty, and was the first work to make explicit a liaison which was the cause of his withdrawal from London society. The price was at the top of the estimate.

A wooded river landscape by Frederick Watts made £3,500, over double the forecast, and a study by Lord Leighton for Cimabue's Madonna in procession through Florence fetched £7,500 to the London dealer J. J. Germain. In 1912 Christie's had sold it for £500, and in 1958 for as little as £115. The completed work was bought in 1855 by Queen Victoria for 500 guineas and is now in the Royal collection.

Jerdain also paid £5,500 for a painting by George Sherwood Hunter entitled "Jews Walling Place, Jerusalem," 1885, while "Changing the Leaders" by Gilbert S. Wright sold for £4,500.

ANTONY THORNCROFT

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CHRISTART

EXPERIENCE AND EXPERTISE 301

Many years ago there lived in Japan an elderly couple with their favourite dog Pochi. As they worked in their garden Pochi stopped at a certain spot and began to bark and wag his tail. Thinking something might be hidden there the old pair began to dig and to their delight turned up a quantity of gold and silver. Next door lived a mean and covetous couple; hearing of it, they borrowed the dog hoping to be shown an equally lucrative place. Pochi, who before had received only kicks and blows from them, uttered not a sound, but when he stopped they dug. Finding but a heap of rusty nails they became enraged and in their fury killed the dog and buried him beneath a pine-tree.

The good old man grieved much on learning this and shed many tears on poor Pochi's grave, when the dog, appearing in a dream, told him to cut down the pine-tree and use the trunk as a mortar for pounding rice. At once every grain became transformed into rich treasure and the wicked neighbours borrowed the mortar hoping for similar benefit, but finding their rice turned only to filth, burned the mortar to ashes. Again Pochi appeared to his dear master, telling him to obtain the ashes, which, sprinkled on withered trees, would make them spring back to life and blossom. Weeping bitterly, the old man begged his neighbours for them, and trying their virtue on a withered plum-tree was amazed to see it sprout and bloom; from this time he was known as Hanasaka Jiji, 'The old man who made withered trees to blossom.'

The moral is: it is very wrong to be cruel to dogs and cats. The wood netuke illustrated above shows the old man with his basket of ashes seated on a plum-tree trunk from which spring budding shoots in ivory: signed Ryukel.

For further information on the sale of Japanese Ivory Carvings and Netsuke please contact the Japanese department at the address above.

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at 3pm Works of Art Part 3

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HOME NEWS

Fishermen protest over safety rules

BY GERRY BUTCHER

FISHING industry representatives met Ministry of Agriculture officials in London yesterday to protest about new safety regulations for inshore fishing boats. They claim the new rules will put many of them out of business.

The Ministry said a statement would not be issued because the talks were intended only to get the viewpoint of the industry over the new regulations.

Inshore and seine fishermen are incensed by rules which they claim were framed originally for ships up to 10,000 tons and intended for merchant navy vessels and which now are being forced on to owners of boats of less than 80 feet in length—the legal definition of an inshore fishing boat.

"I've been fishing for 40 years now," said one Cornish skipper, "and I'm not likely

to go out with an unsafe boat. I go mainly after mackerel in season, then lobsters. But now I have to pay a £50 survey fee, plus up to £1,000 to refit the boat. I just haven't got it."

"These stories going around about people paying £25 a head for lobster divers in London don't help. In fact, I'm getting £2 a pound for lobsters right now—one lobster averages 2lb—and that will probably be down to £2.60 next week. After overheads there's little left for boat replacement or refitting."

The new rules govern stability and safety equipment. Most of that safety equipment is thought to be unsuitable for inshore fishermen's needs.

For example, a four-man boat now must carry two six-man lifeboats, the inshore fishermen's Association said—at £2,000 a time. They must be surveyed yearly and skippers

say that if they are milledew they are burned.

New rocket-firing equipment is specified which the smaller boat owners say is too heavy and cumbersome for their needs and in addition to lifebelts, the men say they must wear emergency radios if they have to abandon ship.

"They're so heavy they would sink a man in any case," said a representative of Grimsby Seine Fishermen's Association. "They won't work properly at close range, which is where we would need them."

But it is the stability regulations which incense the inshore fishermen most. They claim that the extra weight they must load to meet the new requirements is pushing boats lower in the water and makes "soft" boats—which

ride heavy weather high—thus shipping only spray—into "hard" boats which plough into waves and ship more green water.

"There's a boat on the slips now in Grimsby," said the Seine Fishermen's Association, "which is thousands of pounds in the red, not earning enough to pay for its keep. Yet it will be refitting for three weeks at the height of the fishing season after the owner paid nearly £3,000 for a survey."

"Now, after refitting to meet stability requirements, it is a worse, less safe boat than it was."

"These new regulations are ridiculous. They are driving inshore fishermen out of business and they will inevitably put up the price of fish to the housewife even more."

The Ministry of Agriculture would not comment.

Red Adair to help with oil rig safety

By C. L. Dunn

MR. RED ADAIR, whose company, Red Adair Oilwell Fire and Blowout Tamed the Ekofisk well last month, has agreed to help Britain formulate a safety policy for oil exploration in the North Sea.

The Government is clearly planning now to take a very strong line on the whole question of North Sea safety. Dr. Dickson Mabon, Minister of State for Energy, said yesterday that if the oil companies did not agree to provide their own fire-fighting fleet the Government would step in, provide the facilities and make the oil companies foot the bill.

These signs of a Government rethink on the question of safety emerged yesterday. The broad strategy of the Department of Energy is to start a series of discussions with the oil companies and Red Adair.

But the department already has some idea of its requirements. Dr. Mabon has visited Mr. Red Adair's Houston, and gained an idea of the sort of vessel which would be required.

"What Red Adair wants is a vessel that can fight fires, with an immense pipe and pressure system, with machine shops and a hospital on board, which will ride 40-foot waves. It would be an all-purpose vessel."

Dr. Mabon did not minimise the seriousness of the Government's intentions. He said, according to Mr. Adair, a North Sea blowout was a mathematical certainty, and there could be two at the same time. It is a shabby thought.

He said he doubt that the Government is very keen for Mr. Adair to take part in the discussions. Earlier yesterday Mr. Anthony Wedgwood Benn had said: "If Red Adair is good enough to be called by oil companies after a disaster, he is good enough to talk to us before the event."

Mr. Wedgwood Benn suggested that there might be scope for introducing regular tests for those valves and other vital equipment aboard offshore installations. He referred to the regular checks which airline pilots have to have every six months.

The question also touched on the cost of the compensation after oil disasters. He wanted to see further government measures to ensure that the oil companies in the North Sea pay the true cost of pollution damage. But he did not want "penal" measures.

Occidentale may bid 160p a share for Cavenham

BY MARGARET REID

A NEW and higher bid of about 160p a share is expected early next week from Sir James Goldsmith's French master company, Générale Occidentale, for the 48 per cent it does not already own in Cavenham, the British food group.

The quotation of Cavenham's shares for which Générale Occidentale dropped a projected offer of 120p two months ago—was suspended temporarily at the company's request at 9.30 a.m. yesterday. The price was then 140p, 3p lower than the previous evening.

The independent directors of Cavenham, and their advisers, Samuel Montagu, opposed the earlier bid of 120p as inadequate. Further talks took place afterwards between Sir James Goldsmith and a senior representative of Prudential Assurance, which has 6 per cent of Cavenham's shares and some 2 per cent of Générale Occidentale.

indications have been that the Prudential may now be satisfied with an offer of 160p a share. Considerable discussions have taken place with French and British institutions about the financing of the bid, expected announcement of the bid, expected Monday or at latest Tuesday should clarify the outcome of these talks.

On Thursday, Générale Occidentale, in an announcement which heightened speculation about a renewed bid for Cavenham, said it was asking its shareholders for authority to issue up to Frs.250m. (£30m.) nominal of convertible bonds.

Cavenham holds some 40 per cent of the non-voting shares of the Evening Standard newspaper, in which Sir James Goldsmith has expressed an interest, and some 2 per cent of the Evening Standard group as a whole.

Press used smear techniques—Wilson

By Gerry Butcher

SIR HAROLD WILSON yesterday accused the national Press of "smear" techniques and "squalid campaigning" before the two General Elections in 1974.

His long-awaited release of the text of his evidence to the Royal Commission under a covering letter dated April 24, was to several thousand words mainly covering the period of late 1974 during the run-up to the October 10 General Election.

It starts by repeating his statement at Portsmouth on September 24, just after he had announced the date of the election, when he condemned Press stories such as "the Zurich Bank account smear on Mr. Edward Short."

"It was a lie, it was proved a lie, but the exposure of the dishonesty never seems to catch up with the original story."

He said the statement was "predictably condemned by most of Fleet Street and that the Press Council had asked him to provide evidence supporting the allegations: he had made in the Portsmouth statement."

"I did not then and I do not now," went on Sir Harold, "regard the Press Council as a body to consider for or any other issue with a political content."

The evidence text then said that the "smear" techniques of the Royal Commission made it more appropriate to consider the issues he raised.

Referring again to the Zurich bank account affair, he agreed that the Daily Mail presented it from the start as a "smear." But Fleet Street is not aware and are its readers.

"Journalists are adept at linking names to facts in a manner which keeps them on the right side of the laws of libel. Fleet Street has often justified the technique because exposure of this kind has led to the arrest and conviction of criminals."

Bank official remanded to July 5

By Margaret Reid

THE COMMITTEE proceedings on charges against Mr. Martin Wales, a Bank of England official, suspended from duty, and eight others concerning alleged currency frauds involving more than £1m, have been allocated 16 days from July 5 at Horseferry Road Court, Westminster, London.

The nine were again remanded at Bow Street Court yesterday until July 5.

All were first charged in December. The others are: Mr. Brian Turner-Wooding, Mr. Adrian Winston-James, Mr. John Sidney Barnes, Mr. John Stuart Robinson, Mr. Reginald Thomas Atkins, Mr. Alfred Taylor, Mr. Patrick Walsh and Mr. Leonard Basil Ash.

Mr. Wales is a member of the supervisory staff in the Exchange Control Department of the Bank of England.

Plan for easier EEC regional aid discussed

By Our Newcastle Correspondent

PLANS FOR a more flexible European Regional Development Fund to help meet the special needs of areas with individual problems were outlined yesterday. The plans were discussed at a one-day regional policy conference at Newcastle organised by the North of England Development Council.

Mr. Robert Jarrett, information officer with the European Commission's Regional Policy Directorate-General, said he hoped the proposals, due to be announced next month, would become operative early next year.

"A more flexible fund would involve extending the type of operation that can assist, for example by granting interest rebates and covering exchange rate risks on loans from the Community and from the European Investment Bank."

If the regional fund can make their lending terms more attractive, in particular to smaller investors, we feel this can make a valuable contribution to regional development."

Steel record at Shotton

OVER 10,000 tonnes of steel strip have been rolled by a temper mill to a week at British Steel's Shotton works, Decade, Clwyd, for the first time.

In the 15 eight-hour shifts worked this week, the No. 4 temper mill in the finishing section of the cold strip mill processed 10,101 tonnes—\$18 tonnes more than in the previous busy week in February.

Truck sales growth comes from imports

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE SIGNIFICANT increase in commercial vehicle sales in the U.K. this year has been entirely accounted for by increased penetration by the imports.

This worrying trend for the U.K. manufacturers was illustrated by figures published yesterday by the Society of Motor Manufacturers and Traders which showed that imports took 15.38 per cent of the market in April, compared with 12.99 per cent a year ago.

In the first four months the imports' share was 15.22 per cent, compared with 12.76 per cent in the same period last year. The British manufacturers sold 64,282 vehicles—exactly the same amount as last year.

The figures confirm that the truck market is gradually improving. Mr. Andy Thoms, Ford truck sales director, said the market had been helped by the fall in interest rates, the mildly inflationary Budget with the prospect of more tax cuts, and the stabilisation in the value of the pound on foreign exchange markets.

The demand for commercial vehicles which has accumulated while operators have been deferring fleet replacements "must lead to a future strengthening of

the market," he said.

The improvement in the first four months, with a volume of 75,826 vehicles, amounted to 2.91 per cent, compared with the equivalent period last year.

In the big truck league (vehicles more than 3.5 tons gross vehicle weight) Leyland (1,413) and Chrysler (561) just beat Ford into second place in April with 1,263 sales against 1,262. Bedford was third with 1,003 ahead of Chrysler with 410. Leyland retained the lead in

sales of light vans with 1,596, followed by Bedford (1,574) and Ford (1,465).

In the middle range Ford dominated with sales of 3,493, ahead of Bedford (1,413), Leyland (1,074) and Chrysler (561). Leyland led the sales of buses and coaches (328) from Bedford (131) and Ford (118). Sales in this area were 6.3 per cent less than in April last year, but in the comparative four-month period were 9.0 per cent up.

NEW COMMERCIAL VEHICLE REGISTRATIONS					
MANUFACTURER	April		4 months ended April		
	1977	1976	1977	1976	
Bedford	3,990	3,232	14,685	12,740	
British Leyland	4,599	5,714	19,412	22,958	
Chrysler	971	837	3,697	3,311	
Ford	6,220	6,547	23,933	23,151	
Others	578	602	2,555	2,122	
Total British	16,358	16,932	64,282	64,282	
Total Imported	2,973	2,516	11,544	9,394	
GRAND TOTAL	19,331	19,448	75,826	73,676	

S. Korean dollar loan signed

BY MARGARET HUGHES

THE FIRST Export Credits Guarantee Department-backed buyer credit to be denominated in a foreign currency was signed in London yesterday by Grindlays and Mr. Jae-Hyong Hong, Financial Attaché at the South Korean embassy.

The U.S. dollar credit of \$13.5m. (£7.6m.) has been arranged for the Korean-Irae Petroleum Company to cover a contract awarded in South Korea to Foster Wheeler of the U.K. as part of a \$170m. petrochemical refinery contract placed with the Foster Wheeler group worldwide.

Grindlays is also managers of a \$50m. Eurodollar loan being raised for the Osan, South Korea, refinery project, which is scheduled for commissioning in late 1979.

KIPCO is a joint venture company set up for the project by Samsung Cement Industrial of South Korea and the National Iranian Oil Company.

British contractors are obliged to finance their capital goods exports in foreign currencies as a result of a Government directive announced in the December mini-Budget.

The switch away from sterling financing has presented problems for British contractors, not least because they have met considerable resistance from overseas buyers used to the advantages of finance in a weak currency.

Grindlays Brands said it was not hampered by this particular obstacle as the South Koreans were dollar-oriented and were probably not in a position to dictate credit terms.

It has financed the contract by taking the full amount on its own balance-sheet in preference to arranging a syndicated loan. This was undoubtedly made easier because of the relatively small amount involved, though

Grindlays said it would be able to finance credits of up to \$50m. similarly.

Grindlays said that this procedure simplified documentation and which has also presented a problem for contractors—while the exporter was able to draw down on the loan at any time.

The contract for this particular deal will be invoiced in sterling although financing has been arranged in U.S. dollars. This eliminates the currency risk for the exporter which receives its sterling claim in full. The buyer is nevertheless exposed to currency risk. Grindlays Brands said part of this risk could be absorbed by a contingency in the dollar facility.

It is understood that financing of the deal has taken several months to negotiate, particularly in getting the documentation approved by the ECGD and the Board.

Audit committee Bill fails to reach vote

By John Hunt, Parliamentary Correspondent

A PRIVATE Member's Bill to set up an audit committee in the Boards of large companies failed to reach a vote in the Commons yesterday. It goes to the bottom of the list of private legislation and has little chance of further consideration.

Conservative MP for Kensington (Audit Committees) Bill, told the House: "It would help all companies, whether efficient, somewhat inefficient or rank bad performers, to operate better and more happily than they do at the moment."

The system he was suggesting was now a requirement for companies seeking listing on the New York Stock Exchange. The London Stock Exchange should encourage a similar system here.

Engineering film wins award

A modest £2,500 production sponsored by Edwards of England about a device for handling aluminium extrusions as they emerge from a die and the linear motor which powers it—a double first in British inventions.

The Times Sunday Award presented for the best film from a sponsor new to the medium was won by "On the Edge," presented by the Film and Video Press Group for the sponsor who had shown most enterprise and initiative in distributing a trophy winning film from last year's festival went to British Petroleum for the distribution of their film Sea Area.

Lobby by pigmen

U.K. pig producers will lobby European Agricultural Ministers in Brussels on Monday to persuade them to ease import controls on imports from mainland Europe.

Ductile investments

Plans to invest £4m. on new capital projects over the next two years were announced by the Ductile Group of steel rollers yesterday.

Drinking hours Bill

A Private Member's Bill designed to tighten up on after-hours drinking in public houses was given an unopposed third reading in the Commons yesterday. It is sponsored by Sir Bernard Braine, Conservative MP for Essex S.E., and now has an excellent chance of becoming law.

New VAT thresholds

The new thresholds for Value Added Tax registration, introduced as a result of a recent amendment to the Finance Bill, will operate from October 1, 1977.

Ecologist's plan

Mr. Edward Goldsmith, editor of the Ecologist and brother of Sir James Goldsmith, the Cavenham Group chairman, yesterday launched his 20,000-word action plan for "de-industrialising society." The plan, published in the latest issue of his magazine, calls among other things for the welfare state to be dismantled, production of consumer products to be abandoned, the setting up of closed village communities and the reversal of the Women's Liberation movement.

Truck cab check

The Government yesterday laid before Parliament regulations to set up stations to seal and calibrate tachographs for heavy lorries and coaches engaged in international work. These regulations, effective from August 1, will end a period of U.K. resistance to part of the EEC's tachograph rules.

Off to Russia

The Governor of the Bank of England is going to Russia tomorrow for a week's courtesy visit. Mr. Gordon Richardson's visit is at the invitation of the chairman of the State Bank of the USSR. He will be accompanied by Mr. Christopher McMahon, executive director concerned with overseas matters.

Textile unions may ask for co-operative

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

UNION leaders in the textile industry are likely to appeal to the Government to give financial support to the creation of a co-operative in Skelton, a co-operative on social rather than economic grounds.

This has emerged from talks in Skelton during the past few days after completion of the independent consultants' report on the economic feasibility of a co-operative to employ workers made redundant by the closure at the end of last year of a Courtauld plant.

Although it draws no conclusions, nor makes recommendations, the report contains facts which suggest that a textile co-operative would not be economically viable because of the problems of competing with imported goods, especially from the Far East.

The report highlights cost differentials between imported and home-produced goods in the textile industry. An added problem is that, because of the policies of the Amalgamated Textile Workers' Union, a co-operative backed by the union would be permitted to weave only yarn originating in the U.K., not imported yarn.

Budgen to extend its use of Green Shield stamps

BY ELINOR GOODMAN

A SECOND Green Shield customer has agreed to take up some of the franchises dropped by Tesco. The Booker McConnell subsidiary, Budgen, which already gives stamps in about 120 stores, is to put stamps into another 40 shops on June 8.

As a result, Green Shield stamps will be given in almost all the stores trading under the Budgen name. For the moment, however, Booker does not intend to put stamps into the 80 shops which it acquires earlier this year when it bought the Kinloch (Provision) business.

Booker's decision follows a similar move agreed by the BAT subsidiary, International Stores, earlier this week.

Some tube fares may rise 50%

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

SOME LONDON Underground journeys outside the Greater London Council area will cost as much as 50 per cent more from July, as London Transport tries to bring to heel the county councils which have refused to contribute to the loss-making services in their areas.

Fare prospects for rail travellers in London and the South East continue to look bleak. British Rail's annual report, to be published on Wednesday, will contain a vehement attack on the Government's insistence that these services should break even.

Mr. Peter Parker, the railway chairman, has been involved in attempts to dissuade the Government from this position. He has warned that it will mean fare increases of 71 per cent over four years, of this loss, resulting in a 15 per cent loss of traffic.

comparison, with the largest declines in fuel and motor vehicle purchases. Imports of road and motor vehicle parts rising sharply, however. The terms of trade—the ratio of export to import prices—fell last month but have been fairly stable so far this year.

Export volume begins to rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

EXPORT VOLUME is beginning to rise at a steady rate, up to hoped-for levels. In April, volume rose by 41 per cent, while over the last three months as a whole there was a 11 per cent increase compared with the previous quarter. The sharpest rise has been in fuel exports where North Sea oil production is making a big difference. Crude oil exports in April were more than half the total for last year.

On the import side, volume has stabilised during the last couple of months and is 4 per cent down on a three-month

comparison, with the largest declines in fuel and motor vehicle purchases. Imports of road and motor vehicle parts rising sharply, however. The terms of trade—the ratio of export to import prices—fell last month but have been fairly stable so far this year.

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PRIMROSE INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

ANNOUNCEMENT TO SHAREHOLDERS

At the time of the interim report on 15 February, 1977, Shareholders were informed that it was the Company's intention to maintain last year's total Dividend provided there was no material change in either taxation rates or in trading conditions.

By the end of February our rate of order intake had deteriorated significantly, settling at a low level during March and April. It does not seem prudent to expect any marked increase in volume in the remaining two months of our financial year and profits will certainly be less than anticipated.

In the current environment the Board attaches great importance to maintaining sound financial ratios and cash flows. Consequently we deem it appropriate to inform Shareholders at this stage of our intention to reduce the total Dividends for the year ending 30 June, 1977, by not more than 8 cents as compared with the Dividends paid last year (24 cents).

On behalf of the Board,
David Lurie, Chairman.
Primrose Industrial Holdings Limited,
P.O. Box 11062,
Johannesburg.

13th May, 1977.

10/100 12/50

OVERSEAS NEWS

Strikes
paralyse
Basque
province

By Roger Matthews

MADRID, May 13.

PROTEST STRIKES involving at least 200,000 workers gripping a large part of the heavily industrialised Basque region of Northern Spain today, with continuing serious clashes between demonstrators and riot police, the situation deteriorated sharply after Civil Guards opened fire on several hundred demonstrators last night, in the town of Renteria near San Sebastian, killing one person and wounding six more.

Much of the province of Guipuzcoa was paralysed from mid-morning with barricades thrown up again in many towns. There were constant clashes between Basques protesting at the action of the security forces, and riot police who again used rubber bullets, smoke bombs and tear gas.

Political parties in the region have threatened to boycott the regional election on June 15 unless the security forces are pulled off and a total political amnesty granted. They complained bitterly at the "gross brutality" of the police and Civil Guard, especially in opening fire last night with sub-machine guns against peaceful demonstrators.

DELORES IBAURRI, the 51-year-old President of the Spanish Communist Party, arrived in Madrid last night from Moscow where she had lived in exile since the end of the Civil War in 1939. La Pasionaria, as she is more popularly known, was whisked away from the airport under tight security precautions. The few hundred Communist Party members who had gathered there had scarcely got more than a glimpse as she descended the aircraft steps.

Senora Ibaurri, famous for her fiery speeches during the Civil War, heads the Communist Party's list of candidates for the June 15 election in her home province of Asturias. She is expected to address a rally in the town of Oviedo during the next few days.

Barre scores
victory in
TV debate

By David Curry

FRENCH COMMENTATORS were almost unanimous this morning in declaring a partial victory for the Prime Minister, M. Raymond Barre, over his socialist adversary, M. Francois Mitterrand, in last night's television debate which 28m. people watched.

The Gaullist leader, M. Jacques Chirac, who has repeatedly criticised the Barre Government for lack of political leadership, but supports its anti-inflationary measures, said M. Barre "demonstrated the fallacious and dangerous character of the joint programme of the Left." M. Barre certainly beat enthusiastically on the old Gaullist drum in wondering whether the Socialists would inevitably find themselves hostages of the Communist Party in government and of the Communist-led CGT Union with its industrial strength.

Other members of the coalition were delighted and relieved at the Prime Minister's performance. They were clearly pleased at M. Barre's success in carrying the battle to M. Mitterrand who, on paper, by far the more experienced man but who was challenging M. Barre on the latter's home ground of economics.

A number of commentators this morning said that M. Mitterrand had thus proclaimed a pupil-teacher relationship to be established between himself and M. Barre, a long time economics professor. Certainly, the persistent questioning by M. Barre of M. Mitterrand—an inversion of the expected roles of the two men—was widely remarked on.

While noting that M. Mitterrand's calm and courteous approach and general gravitas would have helped to establish his credentials as a potential Government leader, commentators agreed he was being out of the night. "Less pugnacious and dynamic than usual," Le Monde remarked. "While not losing his footing, at least he appeared to float," noted Le Figaro.

There was surprise that the Socialist leader had almost ignored the political difficulties within the Government camp, while admitting under questioning the persistence of problems between the left wing parties.

The report, commissioned by Anglo-American labour policies are planned following the release this week of a critical report on the working and living conditions of black miners. This was the conclusion of observers after a Press conference in Johannesburg this morning at which Anglo discussed the report's findings.

Although it contained few real surprises, the report has created a stir in the mining industry. This morning Anglo announced that several changes have been introduced following the report's

Egypt prepares to improve
relations with the USSR

BY ANTHONY McDERMOTT

EGYPT is on the point of a rapprochement with the Soviet Union which would facilitate the latter's involvement in moves towards the reconvening of a peace conference on the Middle East in Geneva.

At a joint Press conference in Cairo yesterday morning, President Sadat said: "Despite the coolness in our relations with the Soviet Union and despite the problems we may have faced, I wish to say that regarding the solution of the Middle East crisis, there has never been any difference at all. There will probably be a new development in this of which I shall inform my friend President Ceausescu and this development will be announced in Parliament tomorrow."

The announcement is to be made by Mr. Ismail Fahmi, the Foreign Minister, before a session of Parliament's Foreign Relations, Arab Affairs and National Security Committees.

The official news agency, MENA, said of Mr. Sadat's announcement that "new developments will be introduced into the relations between Egypt and the Soviet Union." Mr. Ceausescu hoped that relations would improve "because the Soviet

Union is one of the parties at the Geneva conference." Nevertheless, an impending improvement in relations is surprising. Only last month strains reached a new level after Egypt, along with some other Arab states, received a note from Moscow in which Egypt was accused of threatening Libya with subversion. In his May Day speech, President Sadat attacked the Soviet Union strongly. Since the board of the Soviet Union have been efforts to draw back.

The Cairo daily, al-Ahram, said on May 6 that the note in fact had two parts. The first contained the offending section about Libya with subversion. To settle these points, it may well be necessary for a meeting of heads of state, but probably—as when Mr. Fahmi met Mr. Gromyko, the Soviet Foreign Minister, last year in Sofia—on neutral ground.

President Sadat yesterday also described as "encouraging" statements about the need for the Republic of Aden, in Beirut, the daily, al-Nahar, reported that President Carter in his talks with Arab leaders had proposed a 13-point plan for the Middle East.

It involved the settlement of a Palestinian state linked to Jordan.

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Bhutto calls
referendum
to decide
leadership

ISLAMABAD, May 13.

PRIME MINISTER Zulfikar Ali Bhutto said today he would hold a referendum to decide whether he should remain as leader of Pakistan.

He said the National Assembly was the only proper and honourable course to resolve Pakistan's two-month long political crisis. Mr. Bhutto said he was not prepared to dissolve the National Assembly and call new general elections, as demanded by the opposition, because he believed that fresh polls would be disastrous and fatal for Pakistan.

The crisis follows the March 7 general elections which the opposition Pakistan National Alliance (PNA) alleges were rigged. The PNA claims that it followed at least 255 people have been killed, most major cities disrupted, and the economy seriously affected.

In an emotional 35-minute speech to the Assembly, Mr. Bhutto said fresh elections would open the door to foreign intervention. It was not fair to subject the country to elections again so soon after the last poll.

"What we have gone through has been a real nightmare," he added. Mr. Bhutto, 49, who has been in power since December 1971, said he would rather sacrifice his own personal position than the National Assembly. He said he would let the people of Pakistan decide whether he should remain as Prime Minister.

Mr. Bhutto said the PNA had slammed the door on a dialogue to end the agitation since the March 7 elections. The nine-party alliance has led a mass protest movement against Mr. Bhutto, to try to force him to resign and hold fresh elections.

French trade deficit falls

By Robert Mauthner

PARIS, May 13. THE FRENCH trade deficit in April fell to its lowest level since September 1976, according to preliminary figures.

The deficit, which had stood at \$1.2 billion in March, fell to \$1.1 billion in April. This was a significant improvement on the \$1.3 billion deficit in March.

The improvement was due to a fall in the deficit on goods, which fell from \$1.2 billion in March to \$1.1 billion in April. The deficit on services, however, remained unchanged at \$1.1 billion.

The French government has been keen to improve the trade balance, and the fall in the deficit on goods is a welcome sign. It shows that the government's policies are beginning to have an effect.

The fall in the deficit on goods was due to a combination of factors. One was a fall in the price of exports, which helped to boost demand. Another was a fall in the price of imports, which helped to reduce the deficit.

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U.S. frowns on Japan
nuclear fuel deal
with U.K. and France

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, May 13.

THE U.S. "has never informed" Japan that it will not approve the proposed contracts with the U.K. and France for reprocessing 3,200 tons of nuclear fuel between 1982 and 1990, a spokesman for the Foreign Ministry told the Financial Times today.

However, the U.S. does appear to have indicated that it is not in favour of the contract and has hinted that individual shipments of irradiated fuel to the U.K. and France would not get American approval.

The U.S., which has enriched all the uranium used so far by the Japanese electricity industry, has the right to approve retransfers of spent fuel to another country.

Until now, this permission has been granted automatically.

The clash between President Carter's new policies on nuclear reprocessing and Japanese reprocessing intentions comes at a time when the contract between Japan and British Nuclear Fuels for reprocessing 1,800 tons of its fuel during the 1980s is reported to be ready for signing.

It is understood here that the British Government still has to approve construction of the facilities which would be needed to handle the Japanese fuel but that it has already approved extra storage ponds for the incoming fuel.

Storage, rather than reprocessing, is the fact Japan's most immediate concern since the storage facilities at Japan's nuclear stations are limited.

Enough spare storage capacity must always be retained so that the reactors can be emptied completely of fuel in an emergency.

The exact amount of storage space for spent fuel, and the time it would last, are closely guarded secrets in Japan. Information about storage capacity was requested from Japan by the U.S. during recent negotiations on the reprocessing issue but was not made available.

At a very rough guess, however, Japan may currently have about enough storage space to continue operating its nuclear power stations at present rates for about one year.

The Japanese Foreign Ministry maintains that the U.S. has no authority to pass judgment on the proposed 10-year contract with British Nuclear Fuels and its French opposite number, Cogema.

There can be no doubt, however, that Japan has been placed in a very awkward position by the American decision to adopt a case by case approach to the reprocessing issue. The decision has put the Japanese in a difficult position, as they are now faced with the need to find a way to handle the incoming fuel.

Over 90 per cent. of the early rice crop had been transplanted, the radio said, but places without water should prepare to transplant mid-season rice instead. Power supplies to Canton and other industrial areas had been cut to supply agriculture. The peasants were weary and fearful of difficulties.

This news follows a report by the New China News Agency on May 8 that the drought had been overcome. Kwangtung was included in a list of provinces which had "virtually completed" transplanning early rice on a greater total acreage than last year.

Last week in Heilongjiang Province, north-east China, where spring wheat, soy beans and coarse grains are the main crops, the drought was also reported to be over. However, there seems little doubt at present that the situation along the Yellow River, which caused alarm in March, has now improved, thanks to rain showers and hard work by the peasants.

Predicting that a "big war" between the U.S. and the Soviet Union will break out at an early date, China's Defence Minister has called for a massive drive to build up industry in the interior of China before this happens.

AP-DJ

Portugal students rebel

BY DIANA SMITH

LISBON, May 13.

PORTUGAL'S student world has returned to turbulence after a long lull. Students of the Psychology Faculty at the northern university of Oporto were charged and beaten up by rioting police yesterday, when they gathered outside the police court to protest against the arrest of a classmate who refused to submit to a police search.

A dozen students were injured, one seriously. A formal complaint against excessive police brutality has been filed by the students' association.

As part of his campaign to install some order in Portugal's chaotic school and university system, the Minister of Education, Sr. Mario Sottomayor Cardia, recently issued a decree of being "fascists" has sparked off a total strike by Coimbra's 5,000 students.

Having refused to attend classes for over a week, Coimbra students voted yesterday to continue their strike until Sr. Sottomayor Cardia's dispatch is revoked. The university was closed down to-day, under police guard.

It seems likely that the strike will spread to all Portuguese universities. It could involve some 30,000 students. From the mid-1960s onwards, Portugal's universities became focal points of militant opposition to the Salazar and Caetano regimes.

On several occasions, before the overthrow of the dictatorship in 1974, campuses were invaded by armed political or ordinary police.

EEC accepts sugar price rise

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, May 13.

AGREEMENT was reached today on arrangements designed to produce an increase of less than 6 per cent. in the price which the Lomé convention sugar producing countries will receive for the roughly 1.3m. tonnes of raw sugar which they are due to export to the EEC during the coming year.

Under the complex formula agreed upon, the EEC itself will guarantee an increase of only 2 per cent. to 2.25 per cent. of the price of refined sugar in the U.K. The rest is to be paid by European refiners, principally Tate and Lyle, and will represent the difference between the EEC guarantee price and the prevailing market price on community markets.

The refiners have estimated that the market price during the 1977-78 delivery period will be up the shortfall to the producers.

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SATURDAY, MAY 14, 1977

Mr. Alan Law

BY NICK GARNETT and ARTHUR SMITH



Nautilus
PATEK PHILIPPE

ONE OF THE
WORLD'S COSTLIEST
WATCHES IS MADE
OF STEEL

Every detail of the self-winding Patek Philippe movement is hand-finished. Even the finest screw is individually polished. Nickel-chrome-molybdenum steel case is water-resistant to depth of 120 metres (396 feet).

The swinging mass which winds the watch while you wear it incorporates a piece of 21 ct. gold (added weight ensures optimum winding efficiency). Amazingly slim Nautilus by Patek Philippe with matching steel bracelet, £1,400.00.*

(*including V.A.T. at 8%)

Catalogue and list of authorised jewellers from Patek Philippe.
Dept. F, P.O. Box 35, Maidenhead, Berks. SL6 3BQ

COMPANY NEWS COMMENT

Federated Chemicals profit nearly £3m.

SECOND HALF profits of Federated Chemical Holdings came to £2.7m, to give £2.5m, for 1976. This compares with £2.0m in the previous year, of which £1.9m was earned in the second half.

Trading profit trebled to £905,000, but the share of associates showed a turnaround from a loss of £16,000 to a profit of £244m. Tioxide Group has been created as an associate, and this applied in 1976 then group profit for that year would have been £1.08m.

Basic earnings per 25p share are shown at 11.99p (2.21p). The fully diluted 11.48p (2.11p). The final dividend is 2.001p net for a total of 2.222p (2.992p).

1976	1975
Turnover	£4,518
Trading profit	£905
Investment income	£244
Associated profits	£244
Net income	£1,393
Profit before tax	£1,393
U.K. tax credit	£1,393
Overseas tax	£1,393
Associated tax	£1,393
Pre-emption losses	£1,393
Extraordinary items	£1,393
Retainable	£1,393
Dividend	£1,393
Reserves	£1,393

comment

On a comparable basis, the pre-tax rise at Federated Chemical is 173 per cent. on turnover gain of about 45 per cent. for both the holding company and its associate, Tioxide. Profits in the second half fell a quarter below those of the first, reflecting the dull period experienced by the chemical majors. Correspondingly, the renewed activity in chemicals this year augurs well for the next set of profits. But before then, the report and accounts will show how much extra working capital has been required to finance the much higher turnover and to what extent the debt equity ratio has been affected. At least the cash flow has benefited from dividends from Tioxide to the tune of more than 10 per cent. and the rate of profits growth in the holding company greater than in the associate. At 65p, the shares yield 8.3 per cent. on a p e of 5.3.

A. & C. Black expands

For 1976 pre-tax profit of publishers A. & C. Black expanded to £1,170,000 from £1,030,000, on sales increased to £7.4m, compared with £5.7m.

Mr. John Yates, the chairman, says that in the current year the company is budgeting for a satisfactory year, which is helpful of achieving.

During 1976 production facilities at subsidiary companies Spinx and the company's factory at Trowbridge recently increased. Together with additional premises acquired during the year which are adjacent to the Trowbridge factory, this greatly increased output should be obtained, the chairman says.

For 1976 pre-tax profits of beds and bunk beds manufacturer, Airsprung Group rose from £35,000 to £75,000, on sales increased to £7.4m, compared with £5.7m.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total for last year
John Beales	1.35	—	—	2.38	2.38
T. Cowie	0.65	—	—	0.65	0.65
J. Crowther	0.59	July 18	0.34	0.93	0.93
J. Dykes	2.55	Aug. 5	2.53	5.1	5.1
Federated Chemical	2.5	July 4	1.82	3.29	2.99
Fitzwilton	1.72	July 4	1.72	1.72	1.72
Lyndale Engineering	1.69	July 4	1.46	2.57	2.34
Rush and Tomkins	2	June 24	1.5	3.5	3
Silvermines	2	—	—	2	2

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talks were being held that could lead to an offer.

On that day the shares of Storey, manufacturers of vinyl sheeting and coated fabrics, jumped 33p to 110p. The shares ended the week at 119p.

J. Crowther reduces loss by £204,000

AFTER A reduced deficit at mid-way from £139,298 to £64,038, woolen textile manufacturers, John Crowther Group ended 1976 with a decreased pre-tax loss of £123,716 compared with £330,363.

The directors say that there was a return to profitability in the last quarter of the year.

In the current year they say sales are running some 50 per cent ahead of the same period for 1976.

Orders in hand are 140 per cent. ahead of last year in value and almost 100 per cent. in units, while production is running 70 per cent. greater volume in total. The current value of orders in hand, together with orders delivered to date exceeds the total turnover for 1976 of £4,88m. (£4,13m.).

The directors add that export orders have increased and further growth is expected.

The pre-tax loss emerged after depreciation £114,097 (£136,747), net charges (£163,471) (£120,333) and non capital re-equipment costs £8,333 (£29,474).

After a tax credit £90,000 (£26,000) loss came out at £33,716 (£74,360).

Sales losses of £1.87m, including 10.73m, arising from the increase in stock values since December 31, 1976, for cash flow purposes are available to offset future profits and any clawback of the stock relief.

comment

Although the recovery at John Crowther has taken longer, it is hoped, it is now gathering momentum. There was a small profit at the purely trading level achieved on the basis of a still thin order book. Now, the crucial point is that orders are already higher than last year's total of £5m, or so. But these will not be reflected in sales until the second half, which is interrupted by holidays in the third quarter.

Earlier this year Silvermines had to write off £330,000 against its investment in Gannet Offshore Production Services.

This followed an accident that occurred during final acceptance trials of the crane barge being chartered by one of Gannet's subsidiaries for the rehabilitation of an Egyptian offshore oilfield.

Silvermines rose 3p to 45p yesterday.

There was an exceptional loss of £239,000 for the half year, on the sale of the Williams Companies Notes. This was due to the fluctuation of the dollar exchange rate between June 30 last year and November.

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Sir Robert Taylor, chairman of Thomas Tilling.

Tilling rights to raise £32m.

THOMAS TILLING is raising approximately £32m. by a rights issue in order to expand its capital base for future growth. Shareholders are being offered a new share for every four held at 80p each, which compares with a closing market price of 92p.

Tilling, which pushed its pre-tax profits to a record £11.9m, last year compared with £3.8m, in the previous 12 months, is seeking to expand by acquisition.

No specific deals are mentioned, but the main area of concentration is expected to be in the medical and pharmaceutical sectors.

The accounts for 1976 showed that overseas operations accounted for around 15 per cent. of sales. Since the end of the last financial year, Tilling has spent £10.5m. on acquisitions: one in America for £5m. and one in France for £5.5m.

The current year has "started well" for Tilling and the Board is expecting to forecast dividends in 1977 amounting to £6.50p.

The dividend is expected to be £6.50p, an increase of 22 per cent. The issue—the last by Tilling was in May, 1969—has been underwritten by J. Henry Schroder Warr.

Sir Robert Taylor, the chairman of Tilling, told shareholders at yesterday's annual meeting that: "We intend to continue to diversify geographically and to grow on an international basis largely in our existing trades."

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Up 2.8 despite prime rate rise

NEW YORK	Stock	May 13	May 12	Stock	May 13	May 12	Stock	May 13	May 12	Stock	May 13	May 12
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NEW YORK, May 13.

The Metals and Minerals Index moved up 5.7 to 1,078.2, Golds 10.2 to 1,038.9, Oil and Gas 2.3 to 1,083.2, Utilities 0.35 to 132.08 and

1995.2, Utilities 4.33 to 132.06 and Banks 0.04 to 213.68. But Papers eased 0.13 to 103.57.

PARIS—All sectors rose, with demand stimulated by French Trade Figures and the debate between Prime Minister Raymond Barre and Socialist leader Francois Mitterrand.

Hachette gained 7 per cent, while Schneider, BSN, Michelin,

VIENNA—Steady in quiet tra

—Further decline, with

COPENHAGEN—Generally a firm buying interest very limited.
COSTA RICA—All leading Industrials to ground. Banks and Financials also lower.
HONG KONG—Blue Chips narrowly mixed and "second liners" generally firm in moderate trading.
JERUSALEM—Lower in quiet trading.
PARIS—In otherwise little-changed market, holding engaged in a buying spree.
SAO PAULO—Slightly higher on market belief that impact of Sao Paulo's election will be limited.
TOKYO—Slightly higher on market belief that impact of Sauer's election will be limited.

oil field fire might be

Public Bonds mixed with gains to DM0.40 and losses to DM0.33. Foreign Mark Loans quiet.

OSLO — Industrials slightly firmer, Bankings, Insurances and Shippings quiet.

and Falls May 13

May 13	May 12	May 11	May 10
100	100	100	100

May 13	May 12	May 11	May 10	High	Low	Open 1976-1-1981	Open 1976-1-1981
54.16	55.95	56.98	54.80	67.87 (41)	52.36 (26.4)	Down -558	Up -513
						New Highs-90	New Lows-42

		1977				
		May 13	May 12	May 11	May 10	Low
		High				
Industrial		173.17	176.98	174.24	176.13	169.47 (173)
Combined		175.67	174.15	174.87	176.89	162.78 (165)
TORONTO	Composite	98.54	99.15	99.27	100.11	100.23 (101.5)
JOHANNESBURG	Gold	148.5	149.0	--	150.4	152.5 (76)
	Industrial	177.8	176.7	175.8	176.4	168.5 (71)
						189.1 (234.4)

Belgium	(b)	95.27	94.94
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Belgium	96.57	94.94	113.3	116.25	120.51	121.51
			10.12	12.52	12.52	12.52
Denmark	107.80	107.80	142.82	143.96	145.51	145.51
France	105.0	105.0	148.8	151.1	152.51	152.51
			11.1	11.1	11.1	11.1
Germany	174.7	173.1	73.0	73.0	73.0	73.0
Holland	63.9	62.9	95.9	96.2	96.2	96.2
			14.5	14.5	14.5	14.5
Hongkong	461.29	451.9	452.17	415.47	415.47	415.47
Italy	61.67	62.42	147.1	147.1	147.1	147.1
			15.1	15.1	15.1	15.1
Japan	378.40	372.28	372.1	372.1	372.1	372.1
			15.1	15.1	15.1	15.1
Singapore	242.94	243.31	220.29	242.26	242.26	242.26
			11.1	11.1	11.1	11.1

Switzerland's 236.9 234.6 232.51 232.51 232.51 232.51

Index and base dates (all base values 100 except NYSE All Common)

Standards and Poors—10 and 1973
 1,000, the last named based on Treasury
 1926-27, the last named based on 1926-27
 11.12.61 (C) Copenhagen SE 11/7/72
 11.12.61 (C) Paris Bourse 1961 (C) Commerce
 December 1952, (C) Amsterdam, London
 11.12.61 (C) Bank East Asia 11/7/72
 (C) Adnan 21/7/72, (C) Tokyo New Sec
 11.12.61, (C) Swiss Time 1968, (C) 11/7/72
 11.12.61 (C) Standard Bank 11/7/72
 11.12.61, (C) Suez Bank Corp. 11/7/72
 11.12.61, (C) Unavailable, (C) Excluding bonds, (C)
 11.12.61, (C) Indes., (C) 11/7/72
 11.12.61, (C) 11/7/72, (C) 11/7/72

RACING BY DOMINIC WIGAN

Experimental

Free State may be

in a winning state

ALTHOUGH the Champion stakes winner Today's has been taken from Villes's £17,000 Breckings Stakes, at Newbury, as a group two prize could still go to Peter Watwyn's Seven Barrows, who is still relied on to top-classly defeat Free State. A much-improved horse in 1966, and a winner from Boldboy the Waterford Crystal Mile at Goodwood—where he also followed to a length in the Essex Stakes—Free State has

of more than a stone to the under-rated Sallowth just beyond him in the Kenneth Roberts Stakes.

At today's other feature, Thirsk, backers probably could do worse than to follow the fortunes of one of Newmarket's more enterprising trainers Jeremy Hindley, who can achieve a first and last round double through Fairy Fisherman and Nearly a Hand.

At the Epsom, the French-trained Oaks favourite Danscuse Etolie is likely to an absentee—she has pulled muscle in training. The Anglo-Penna-trained filly misses today's Prix Cleopatre at St. Cloud, as it seems certain that even if it makes it to Epsom she will without the benefit of a preparatory race.

Twenty stand their ground to-morrow's £80,000 Prix Lupat at Longchamps—from which Blushing Groom is an absentee including Pharly. Anyonette, Water Boy and Crystal Palace. The last named, who hails from

been seen out this

- been seen out this term. Nevertheless, the report is that he won the first time of asking last year. It would come as a major prize if he failed through lack of a previous outing.
- To take him to underline his claims to being considered one of the top fillers in Europe by beating the ill-fated Reikino, he was runner-up yet again in the final down to the second in the Westbury Stakes at Sandown three weeks ago.
- Cliff Hern, trainer of Reikino, would have been fortunate with the filly named, an untraced juvenile, considered forward enough to be the opener the Penleez stakes; but some Prince's half-brother may find the concession
- Francis stables at Coburg stable is reported to have been involved in spectacular fashion late and he could well provide the answer.
- New Zealand**
rugby coverage
- THE BBC will broadcast radio commentaries on the four British Lions test matches in New Zealand on June 18, July 1, July 30 and August 13. The commentaries will be included in a night programme on BBC Radio 2, hosted by Cliff Morgan and Terry Wogan.
- Recordings of the matches will be shown on BBC1 Grandstand on the days the tests are played. Grandstand will also carry reports on mid-week matches.

Rio Tinto	105
1.000	83

[illegible]

GERMANY ♦	PARIS	AUSTRALIA	TOKYO†
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[illegible]

9	daugai	572
8	Fiat	1,604

4	Do. Priv.	1,355
4	Einoider	100
1	Italcementi	10.05
6	Italcrist	161
0	Mediocredito	57.11
4	Montedison	253
7	Olivetti Priv.	805
2	Pirelli & C.	1,993
4	Pirelli Spa	994
8	Snaa Vapores	880

Table with multiple columns listing various financial instruments, companies, and their associated values or prices. Includes sections for 'The Financial Times Saturday May 14 1977' and 'LOCAL AUTHORITY BOND TABLE'.

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Table with multiple columns listing various financial instruments, companies, and their associated values or prices. Includes sections for 'BUILDING SOCIETY RATES' and 'GOLD MARKET'.

Table with multiple columns listing various financial instruments, companies, and their associated values or prices. Includes sections for 'GOLD MARKET', 'EXCHANGES AND BULLION', and 'FOREIGN EXCHANGES'.

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Table with multiple columns listing various financial instruments, companies, and their associated values or prices. Includes sections for 'GOLD MARKET', 'EXCHANGES AND BULLION', and 'FOREIGN EXCHANGES'.

Equities only a shade off after another good trade

Index 2.4 down at 467.8 after 472.9—Gains in gilts to $\frac{1}{2}$

Insurance (General)	21,12,71	151.82
Life and Savings	21,12,70	144.76
Accident and Sickness	21,12,70	156.72
Marine Equipment	18,12,70	123.20
Marine Group	21,12,70	128.20
Food and Beverages	21,12,67	111.13
Food Retailing	21,12,67	111.13
Food Wholesaling	21,12,67	111.13
Insurance Brokers	21,12,67	96.67
Mining Finance	21,12,67	100.00
All Other	21,12,67	100.00

* Redemption values. A sign less than this number is negative.
 10. Scott Cowie, London, E.C.4, at 100 per cent.

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Assurance Co. Ltd. Equity & Law Life Ass. Sec. Ltd. New Court Property Fund Mgmts. Ltd. Solar Life Assurance

11-3%
CURRENT ESTIMATED ANNUAL GROSS YIELD
PAID QUARTERLY
WILSON HIGH YIELD FUND

[illegible][illegible][illegible][illegible]

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BRITISH FUNDS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00
Over Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

INTERNATIONAL BANK

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

COMMONWEALTH & AFRICAN LOANS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

FOREIGN BONDS & RAILS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

AMERICANS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

CANADIANS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

BANKS AND MIRE PURCHASE

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

BEERS, WINES AND SPIRITS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

CINEMAS, THEATRES AND TV

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

DRAPERY AND STORES

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

FOOD, GROCERIES, ETC.

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

BUILDING INDUSTRY—Continued

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

CHEMICALS, PLASTICS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

ENGINEERING, MACHINE TOOLS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

HOTELS AND CATERERS

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

DRAPERY AND STORES—Continued

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

ELECTRICAL AND RADIO

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

ENGINEERING—Continued

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

FOOD, GROCERIES, ETC.—Continued

Stock	Price	Div.	Yield
Five to Fifteen Years			
British American	100	10	10.00
British Empire	100	10	10.00
British Overseas	100	10	10.00
British United	100	10	10.00

SUMITOMO HEAVY INDUSTRIES, LTD. Tokyo, Japan									
For ocean development, systems engineering, and environment protection.									
MINES—Continued									
CENTRAL AFRICAN									
Lot	Stock	Price	Dir	Net	Cr	Gr	Yld	Div	Yld
38	Palatine 25c	52	—	Q5c	8.4	4.4	—	—	—
39	Palatine 50c	115	—	Q35c	1.7	29.8	—	—	—
40	Palatine 75c	125	—	Q35c	4.3	6.6	—	—	—
41	Palatine 100c	132	—	Q35c	4.3	6.6	—	—	—
42	Palatine 125c	139	—	Q35c	4.3	6.6	—	—	—
43	Palatine 150c	147	—	Q35c	4.3	6.6	—	—	—
44	Palatine 175c	154	—	Q35c	4.3	6.6	—	—	—
45	Palatine 200c	161	—	Q35c	4.3	6.6	—	—	—
46	Palatine 225c	168	—	Q35c	4.3	6.6	—	—	—
47	Palatine 250c	175	—	Q35c	4.3	6.6	—	—	—
48	Palatine 275c	182	—	Q35c	4.3	6.6	—	—	—
49	Palatine 300c	189	—	Q35c	4.3	6.6	—	—	—
50	Palatine 325c	196	—	Q35c	4.3	6.6	—	—	—
51	Palatine 350c	203	—	Q35c	4.3	6.6	—	—	—
52	Palatine 375c	210	—	Q35c	4.3	6.6	—	—	—
53	Palatine 400c	217	—	Q35c	4.3	6.6	—	—	—
54	Palatine 425c	224	—	Q35c	4.3	6.6	—	—	—
55	Palatine 450c	231	—	Q35c	4.3	6.6	—	—	—
56	Palatine 475c	238	—	Q35c	4.3	6.6	—	—	—
57	Palatine 500c	245	—	Q35c	4.3	6.6	—	—	—
58	Palatine 525c	252	—	Q35c	4.3	6.6	—	—	—
59	Palatine 550c	259	—	Q35c	4.3	6.6	—	—	—
60	Palatine 575c	266	—	Q35c	4.3	6.6	—	—	—
61	Palatine 600c	273	—	Q35c	4.3	6.6	—	—	—
62	Palatine 625c	280	—	Q35c	4.3	6.6	—	—	—
63	Palatine 650c	287	—	Q35c	4.3	6.6	—	—	—
64	Palatine 675c	294	—	Q35c	4.3	6.6	—	—	—
65	Palatine 700c	301	—	Q35c	4.3	6.6	—	—	—
66	Palatine 725c	308	—	Q35c	4.3	6.6	—	—	—
67	Palatine 750c	315	—	Q35c	4.3	6.6	—	—	—
68	Palatine 775c	322	—	Q35c	4.3	6.6	—	—	—
69	Palatine 800c	329	—	Q35c	4.3	6.6	—	—	—
70	Palatine 825c	336	—	Q35c	4.3	6.6	—	—	—
71	Palatine 850c	343	—	Q35c	4.3	6.6	—	—	—
72	Palatine 875c	350	—	Q35c	4.3	6.6	—	—	—
73	Palatine 900c	357	—	Q35c	4.3	6.6	—	—	—
74	Palatine 925c	364	—	Q35c	4.3	6.6	—	—	—
75	Palatine 950c	371	—	Q35c	4.3	6.6	—	—	—
76	Palatine 975c	378	—	Q35c	4.3	6.6	—	—	—
77	Palatine 1000c	385	—	Q35c	4.3	6.6	—	—	—
78	Palatine 1025c	392	—	Q35c	4.3	6.6	—	—	—
79	Palatine 1050c	399	—	Q35c	4.3	6.6	—	—	—
80	Palatine 1075c	406	—	Q35c	4.3	6.6	—	—	—
81	Palatine 1100c	413	—	Q35c	4.3				

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FINANCIAL TIMES

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MAN OF THE WEEK

Sudden notice to quit

BY JUREK MARTIN

WHEN Sir Peter Ramsbotham arrived in Washington in March 1974, he used to joke that there did not seem much point unpacking his bags. After all, Edward Heath, the man who appointed him Ambassador, had just been defeated at the polls and there was a reasonable chance that the new Labour Government would want to install its own man in the spacious house on Massachusetts Avenue, butting the largest embassy in town.

The notice to quit has in fact come over three years later. Its peremptoriness and the smear campaign against Sir Peter, generally believed to have been orchestrated from Downing Street, have plunged the Embassy here into a bitter gloom. It is a feeling which is not directed against Peter Jay, the designated successor, because his qualities are known and appreciated. It reflects the fact that a professional diplomat has been shabbily treated.

Plum posting

An ambassador's job in Washington may be the plum posting in the Foreign Service, but it is not what it was. If governments want to talk to governments, they can pick up a telephone and do so directly, rather than use the services of a resident emissary.

Instead, an ambassador has become much more the head of an intelligence gathering operation: he is required to oil the wheels of contact between the country he represents and the one in which he is based, to ensure that he is well and truly abreast of political, economic and social trends, and where necessary, to argue causes that his government believes in with the right people in power and in the country at large.

In Washington this can be achieved in a variety of ways. David Ormsby-Gore (now Lord Hawke) was considered a success because of the intimacy of his relationship with President Kennedy. Ardeshir Zahedi, the current Iranian Ambassador here, furthered his case by entertaining lavishly and frequently. Ashraf Ghorbani of Egypt uses the keenness of his political advisers, who were predicting a Carter victory both for the nomination and in the general election.

And, like any professional, Sir Peter did his homework thoroughly. He is by travelling widely throughout the country, by seeing the right people in Washington. He handled the delicate transition from a Republican to a Democratic administration well. Henry Kissinger liked and respected him, and Kissinger's private secretary told him: "You would like to say so publicly, but it would be impolitic to do so. The same goes for Cyrus Vance, the new Secretary of State."

Spearhead

Sir Peter Ramsbotham has seen his role as that of the spearhead of a team operation. His squad is vast: it includes his own staff, but his lieutenants have been given their heads and, on occasion, have excelled themselves. This week's Concorde court ruling, for example, may be seen as in no small measure due to the skilled lobbying co-ordinated by the Embassy's aviation counsellor. Equally, though Sir Peter himself thought a year ago that Hubert Humphrey would wind up as the Democratic Party's presidential candidate, he did not miscalculate his political advisers, who were predicting a Carter victory both for the nomination and in the general election.

Contacts

It has been widely reported that Sir Peter was the first foreign ambassador to talk seriously to Jimmy Carter while he was an improbable Presidential candidate and after he became President. That this happened was largely due to the contacts built up around the country—in Georgia, via Bert Lance and Griffin Bell, and in Washington, through the diplomatic circuit.

It has been suggested in London that the ambassador has been entertained on this circuit both lavishly and in an archaic manner. The defence, and it is a fair one, is that when in Rome do as the Romans do. Americans like being introduced to celebrities and being photographed next to the columns of the newspapers. But those who come to dine often seek around to talk business.

And Sir Peter Ramsbotham has been a good listener. The different, even shy manner, the fondness for bird watching and his collection of Persian carpets, mask a professional approach to his job. He had hoped to be given another year or more for this investment in a new administration to pay dividends: he has been given six weeks and has been pilloried to boot. He is too much of the professional diplomat to complain publicly, but there are others on Massachusetts Avenue less reticent to expressing their sadness.

Loyalist council split as strike crumbles

BY KEVIN DONE IN NORTHERN IRELAND

THE LOYALIST STRIKE was petering out last night as the United Unionist Action Council held yet another turbulent late-night meeting in Belfast to consider abandoning its campaign.

As the last vestiges of the Loyalist action crumbled, there were many signs in hardline Protestant areas that the strike had already ended. Public-houses and many shops along the Shankill Road and in the Sandy Row area opened for the first time for 11 days, clearly with the encouragement of the para-military Ulster Defence Association.

The black taxi shuttle service which operates through the Shankill area with UDA backing was also back in business.

Gangs missing

THE UDA's use of intimidation has played a vital role in the action council's attempts to enforce the strike in key industries during the past two weeks. Yesterday, however, there was little sign of the gangs of youths who have roamed some streets each morning during the trek to work.

Shots are appearing in the 33-man action council. Some mem-

bers—principally from industry—have become unhappy with the prolonged strike.

Meanwhile, Mr. Roy Mason, the Northern Ireland Secretary returned bitterly yesterday to his charge that the Loyalist strike had played above all into the hands of the Provisional IRA.

"It is a great pity that the efforts of the security forces should have been diverted these past two weeks from their prime task of defeating the IRA," he said. The Provisionals must be laughing up their sleeves at the wreckers who have been doing their work for them.

Speaking at an army barracks in Rallymore in the heart of Mr. Paisley's North Antrim constituency, Mr. Mason said that progress was being made on security. "For me there is no acceptable level of violence. Violence must be eradicated and I must nail the lie that the Government is stubbornly clinging to some rigid old policy of 'containment'."

Bus services will be back to normal in Belfast today after yesterday's funeral of Harry Bradshaw, the bus driver shot dead by gunmen as he drove

along the Protestant Crumlin Road on Tuesday.

About 800 of the city's busmen met yesterday after the funeral and voted by a big majority to return to work.

There have been no buses on Belfast's streets for three days as a protest at the murder. Thousands had to walk to work and trade in the city was seriously hit.

Tankers halted

Fuel deliveries were again halted yesterday. Tanker drivers met Mr. David Concanon, the Minister of State for Northern Ireland, to discuss what stricter security measures could be taken to ensure their safety. Gunmen tried to murder one tanker driver on Thursday, but the bullets missed him.

One of the power workers' leaders in Belfast has faced open intimidation. Shots were fired at his home, but no-one was injured.

In Larne yesterday there were still only five out of 50 dockers at work. Nevertheless, Townsend Thoresen was able to run a full schedule of four sailings each way between the port and Cairnryan in Scotland.

Peachey shareholders vote out Sir Eric

BY QUENTIN GUIRDHAM

THE STRUGGLE by Sir Eric Miller to stay on the Board of Peachey Property Corporation ended yesterday at a rowdy shareholders' meeting in London.

Narrowly defeated, he was then overwhelmingly rejected in the poll of proxy votes.

Those voting at the meeting showed their dissatisfaction with both sides in the Boardroom row by rejecting all three motions put to them. The routine motion authorising directors to agree the fees of Price Waterhouse, auditors, was defeated, and so was the election of Mr. Douglas Chance, Sir Eric's replacement on the Board.

The poll count of votes elected Mr. Chance by almost as large a majority as that which opposed Sir Eric, and defeat of the motion on fees will not prevent Price Waterhouse continuing as auditors.

The keenest of his political advisers, who were predicting a Carter victory both for the nomination and in the general election.

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Britain repeats fishery warning to EEC

BY ROBIN REEVES

BRUSSELS, May 13.

BRITAIN again served notice on the Common Market partners today that a fair and just EEC common fishery policy must recognise that the U.K. has more at stake in terms of coastal waters and fish stocks than other Community members.

In a first reaction to the Brussels Commission's latest ideas for revising the common fishery policy to take account of 200-mile limits, Mr. Frank Judd, the Minister of State at the Foreign and Commonwealth Office, said: "I am not willing to see British fishermen taken unfairly or unnecessarily for a ride."

But he added that government departments would study the Commission's proposals carefully, and that it would be premature to comment.

His remarks contrast with the Foreign Office's initial reaction to Commission proposals issued last September, which recommended an exclusive band for EEC coastal fishermen of no more than 12 miles offshore, with historic rights of other EEC fleets preserved.

This was "totally unacceptable," the Foreign Office said.

The Government remains firmly committed to an exclusive national band of up to 30 miles offshore.

The new Commission document does not endorse this objective. But the Commission is suggesting that coastal fishermen should have "priority of access" in the maritime zones where they have traditionally fished, with the object of ensuring their standard of living is maintained and fish stocks preserved.

Further British reactions are likely when the EEC Council of Ministers meets here on Monday under the presidency of Mr. John Silken.

The council is due to discuss an extension of the North Sea fishing zone beyond the end of this month. In April Mr. Bruce Millan, the Scottish Secretary of State, threatened unilateral conservation action by Britain if Denmark and Holland did not agree to an extension of several months.

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Another mortgage rate cut nearer

ANOTHER cut in the mortgage rate came a step nearer yesterday with confirmation that April was the best month for building societies, writes Michael Cassell, Building Society Association.

According to the Building Societies' Association, the movement loan in £1,190m. from investors last month. After withdrawals of £717m., societies were left with record net receipts of £475m. The previous record was £406m. in April, 1975.

Early reports for this month suggest that the societies' success in attracting funds has been maintained and, although it is not likely that last month's record figure will be repeated, the final total should not be much lower.

If this is the case, then there seems little doubt that on June 10 the building societies will decide to reduce their rates for the second time in two months. In April, the mortgage rate fell from 12½ per cent to 11½ per cent, and the investors' rate dropped from 7.8 per cent to 7 per cent, net.

Cost falls

The most likely outcome is for a reduction in the mortgage rate to 10½ or 10½ per cent, with a similar cut in the rate paid to investors. If a decision is taken next month, the new rates would take effect at once for new borrowers and from July for people who have mortgages.

If the mortgage rate drops to 10½ per cent, in July, it means that the gross cost of a £10,000 loan over 25 years will have fallen by nearly £13 a month when last month's reduction is taken into account.

In spite of the encouraging trend in receipts, the societies are still anxious to emphasise that the restoration of high lending quotas is their major priority and they will not wish to take any interest rate decision that could materially affect the high inflow of funds.

Mr. Norman Griggs, secretary general of the Building Societies' Association, said: "The credit net intake record was exactly what was needed by the housing market. Within a short time this money will be used to augment the supply of mortgages for those who have recently been finding it difficult to buy and sell homes."

"During the first four months of this year, the average net receipts total was £242m. a month, whereas some £200m. to £350m. is needed to meet the mortgage demand without causing an unacceptable rise in house prices."

Weather

U.K. TO-DAY

Sunny with some showers. London, SE. England, Cen. Southern England: Bright; rain later; max. 13C (55F).

East Anglia, Midlands, East: Sunny; cloudy later; max. 13C.

East England, Cen. Northern England, NE. England, Borders: Partly cloudy; max. 10C (50F).

Midlands, West, South Wales: North Wales: Sunny; showers; max. 12C (54F).

Channel Islands, Southwest England: Cloudy; cold; max. 13C.

Northwest England, Lake District, Isle of Man, Southwest Scotland, Glasgow, Argyll, Northern Ireland: sunny; showers; max. 11C (52F).

Aberdeen: Cen. Highlands, Moray Firth, Northeast and Northwest Scotland, Orkney, Shetland: sunny; max. 7C.

Outlook: unsettled.

BUSINESS CENTRES

City	Ytd. May	Ytd. May	Ytd. May
Amsterdam	17.12	17.12	17.12
Bombay	17.12	17.12	17.12
Buenos Aires	17.12	17.12	17.12
Canton	17.12	17.12	17.12
Colon	17.12	17.12	17.12
Hankow	17.12	17.12	17.12
Hong Kong	17.12	17.12	17.12
Kobe	17.12	17.12	17.12
London	17.12	17.12	17.12
Lyons	17.12	17.12	17.12
Manila	17.12	17.12	17.12
Medan	17.12	17.12	17.12
Osaka	17.12	17.12	17.12
Panama	17.12	17.12	17.12
Perth	17.12	17.12	17.12
Rangoon	17.12	17.12	17.12
San Francisco	17.12	17.12	17.12
Singapore	17.12	17.12	17.12
Sourabaya	17.12	17.12	17.12
Tokyo	17.12	17.12	17.12
Yokohama	17.12	17.12	17.12

HOLIDAY RESORTS

City	Ytd. May	Ytd. May	Ytd. May
Amsterdam	17.12	17.12	17.12
Bombay	17.12	17.12	17.12
Buenos Aires	17.12	17.12	17.12
Canton	17.12	17.12	17.12
Colon	17.12	17.12	17.12
Hankow	17.12	17.12	17.12
Hong Kong	17.12	17.12	17.12
Kobe	17.12	17.12	17.12
London	17.12	17.12	17.12
Lyons	17.12	17.12	17.12
Manila	17.12	17.12	17.12
Medan	17.12	17.12	17.12
Osaka	17.12	17.12	17.12
Panama	17.12	17.12	17.12
Perth	17.12	17.12	17.12
Rangoon	17.12	17.12	17.12
San Francisco	17.12	17.12	17.12
Singapore	17.12	17.12	17.12
Sourabaya	17.12	17.12	17.12
Tokyo	17.12	17.12	17.12
Yokohama	17.12	17.12	17.12

TELEX COLUMN

Oil in the wheels of the market

The trade figures for April were not as good as some of the more fanciful rumours earlier in the week had suggested and gave no further fillip to an equity market which, measured by the F.T. 30-Share Index, has put on a net 17½ points over the five trading days. But the figures serve to highlight a fundamental change in the economic background. There have, of course, been false dawns in the past, yet the latest three months taken together have seen the current balance move into surplus.

Index fell 2.4 to 467.8

Given the pace of the underlying swing round on the account, a period of structural surplus should soon be established. Brokers have, for instance, been calculating that the net deficit could fall from £4.27 in 1976 to an estimated £2.60 or so this year, reaching a surplus in 1979.

REVERSE YIELD GAP

YIELD ON FT 30-Share INDEX (UNADJUSTED STOCK LESS DIVIDEND YIELD ON FT ALL-Share INDEX)

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